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EXTEND THE FEED GRAIN PROGRAM

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HEARINGS
BEFORE THE
SUBCOMMITTEE ON LIVESTOCK AND
FEED GRAINS
OF THE
COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES
EIGHTY-EIGHTH CONGRESS
FIRST SESSION
ON
H.R. 3874

FEBRUARY 27 AND 28, 1963

Serial C

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EXTEND THE FEED GRAIN PROGRAM

WEDNESDAY, FEBRUARY 27, 1963

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON LIVESTOCK AND FEED GRAINS
OF THE COMMITTEE ON AGRICULTURE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:10 a.m., in room 1310, Longworth House Office Building, Hon. W. R. Poage (chairman of the subcommittee) presiding.

Present: Representatives Poage, Jones of Missouri, Matthews, Purcell, Duncan, Olson of Minnesota, Matsunaga, Quie, Short, Mrs. May, Latta, and Harvey of Indiana.

Also present: Representatives Johnson of Wisconsin, Hagen of California, Hoeven, and Beermann.

Martha Hannah, staff; Hyde H. Murray, assistant clerk; Robert Bruce, assistant counsel; and Francis LeMay, consultant.

Mr. POAGE. The subcommittee will come to order.

I would like to make a very brief statement before we hear any witnesses, because I had not contemplated handling it this way. The bill which is before you, H.R. 3874, which I introduced, is basically an extension of the present feed grain law, the act of 1963, not the act of 1962 or the act of 1961, but, basically, an extension of the act of 1963. I want to call attention to the fact that it exempts malting barley and that is intentional. However, I do not want anybody to feel that we are trying to make a material change without their knowing. The reason being that if there is any reason for malting barley to be included it ought to be discussed here, and if there is a reason why, of course, I would find no objection to putting it in. However, I do not see that there is any real reason for its inclusion. The argument for leaving malting barley out of the program was that there was a shortage, but there is now a surplus of those products.

I do not mean to say that every word in this bill is the same as in the existing law, because it cannot be—we cannot extend the law which was written for 1963 in exactly the existing words, but, basically, it is the same.

In discussing this bill, it is obvious that there are a great many people who do not want to pass a feed grain bill at this time. They feel that we should wait for the signup in the wheat referendum. They prefer to do nothing about the feed grains at this time. And there are other objections to taking up the feed grains at this time. I think that Mr. Quie has raised what seems to me a logical suggestion, that, until we know the result of the signup which will be about the 20th of March, that we should wait. I do not anticipate that there is the slightest chance in the world of passing any legislation, or this

committee finishing any legislation in the next 3 weeks. Everybody likes to talk about how fast we can pass legislation. I have some recollection of getting up here early in January and hearing about how we could pass a cotton bill by the end of the month. That cotton bill is nearly as far along as it was in January, or not quite as far along as it was then. We are not going to pass a feed grain bill in the next 2 weeks. And everybody knows that.

I think we might well start considering what we want to do, with recognition of that fact. I certainly would feel that we need to know what the sign-up has done and just what we will be faced with before we take final action on any bill.

It does not seem to me that should stand in the way, however, of having consideration at the present time of this feed grain problem, unless the sole purpose is to delay any passage of the feed grain bill. I think that most of us will agree that we need a program. Most of us know that unless we get to work now we will not get one. We should not sit tight and do nothing until the 1st of June and then try to pass a bill. I think it is quite plain that if we have any intention of passing a feed grain bill that we have got to go to work now—not pass it now, but we have got to start to work on it now. And for that purpose I had called this meeting to discuss among the members of the committee as to what we wanted to do, whether we seriously wanted to pass a feed grain bill or whether we did not; since we have this group of visitors here, why, certainly, we can hear their views, and the views of any of those who are interested and we can make that much progress. So, I think it will be in order now to hear from Mr. Jaenke from the Department of Agriculture on the feed grain legislation.

(H.R. 3874, introduced by Mr. Poage, and the report on the bill by the Department follows:)

[H.R. 3874, 88th Cong., 1st sess.]

A BILL To extend the feed grain program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Feed Grain Act of 1963."

SEC. 2. Section 105 of the Agricultural Act of 1949, as amended, is amended—

(1) by changing the period at the end of subsection (a) to a colon and adding the following: "*Provided, That in the case of any crop for which an acreage diversion program is in effect for feed grains, the level of price support for corn of such crop shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines necessary to achieve the acreage reduction goal established by him for the crop.*"

(2) by adding the following new subsection (d):

"(d) The provisions of this subsection shall be applicable with respect to any crop of feed grains for which an acreage diversion program is in effect under section 16(h) of the Soil Conservation and Domestic Allotment Act, as amended. The Secretary shall require as a condition of eligibility for price support on the crop of any feed grain which is included in the acreage diversion program that the producer shall participate in the diversion program to the extent prescribed by the Secretary, and, if no diversion program is in effect, he may require as a condition of eligibility for price support on any crop of feed grains that the producer shall not exceed his feed grain base. Such portion of the support price for any feed grain included in the acreage diversion program as the Secretary determines desirable to assure that the benefits of the price support and diversion programs inure primarily to those producers who cooperate in reducing their acreages of feed grains shall be made available to producers through payments in kind. Such

payments in kind shall be made on the number of bushels of such feed grain determined by multiplying the actual acreage of such feed grain planted on the farm for harvest by the adjusted average yield per acre. The base period used in determining such adjusted average yield shall be the same as that used for purposes of the acreage diversion program formulated under section 16(h) of the Soil Conservation and Domestic Allotment Act, as amended. The Secretary may make not to exceed 50 per centum of any payments hereunder to producers in advance of determination of performance. Such payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains (such feed grains to be valued by the Secretary at not less than the current support price minus that part of the current support price made available through payments in kind, plus reasonable carrying charges) and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificates not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. The Secretary shall provide for the sharing of such certificates among the producers on the farm on the basis of their respective shares in the crop produced on the farm with respect to which such certificates are issued, or the proceeds therefrom. If the operator of the farm elects to participate in the acreage diversion program, price support for feed grains included in the program shall be made available to the producers on such farm only if such producers divert from the production of such feed grains in accordance with the provisions of such program an acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide."

SEC. 3. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(h) Notwithstanding any other provision of law—

"(1) Beginning with the 1964 crop, if the Secretary determines that the total supply of feed grains will, in the absence of an acreage diversion program, likely be excessive, taking into account the need for an adequate carry-over to maintain reasonable and stable supplies and prices of feed grains and to meet any national emergency, he may formulate and carry out an acreage diversion program for feed grains, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of feed grains to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conserving crops or practices including summer fallow and idle land by an equal amount. Payments shall not be made in amounts in excess of 50 per centum of the estimated basic county support rate, including that part of the support price made available through payments in kind, on the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre. Notwithstanding the foregoing provisions, the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, and flax, if he determines that such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses, and no price support shall be made available for the production of any such crop on such diverted acreage. The base period for the purpose of determining the adjusted average yield in the case of payments with respect to the 1964 crop shall be the four-year period 1959-1962, and in the case of payments with respect to any subsequent crop shall be the most recent five-year period determined by the Secretary to be representative for which statistics are available. The term 'feed grains' means corn, grain sorghums, barley, and, if designated by the Secretary, oats and rye. Such feed grain diversion program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects,

weeds, and rodents. The acreage eligible for participation in the program shall be such acreage (not to exceed 50 per centum of the average acreage on the farm devoted to feed grains in the crop years, 1959 and 1960 or twenty-five acres, whichever is greater) as the Secretary determines necessary to achieve the acreage reduction goal for the crop. Payments may be made in cash or kind. The average acreage of wheat produced on the farm during the crop years 1959, 1960, and 1961, pursuant to the exemption provided in section 335(f) of the Agricultural Adjustment Act of 1938, prior to its repeal by the Food and Agriculture Act of 1962, in excess of the small farm base acreage for wheat established under section 335 of the Agricultural Adjustment Act of 1938, as amended, shall be considered as an acreage of feed grains produced in the crop years 1959 and 1960 for purposes of establishing the feed grain base acreage for the farm, and the rate of payment for diverting such wheat shall be an amount determined by the Secretary to be fair and reasonable in relation to the rates of payment for diverting feed grains. The Secretary may make such adjustments in acreage and yields as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual acreages and yields for the farm, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance.

"(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(h). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1964, and to pay such costs as may be incurred in carrying out paragraph (4) of this subsection.

"(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

"(4) Payments in cash shall be made by Commodity Credit Corporation and payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. Feed grains with which Commodity Credit Corporation redeems certificates pursuant to this paragraph shall be valued at not less than the current support price, minus that part of the current support price made available through payments in kind, plus reasonable carrying charges.

"(5) Notwithstanding any other provision of law, the Secretary may, by mutual agreement with the producer, terminate or modify any agreement previously entered into pursuant to this subsection if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of feed grains."

FEBRUARY 27, 1963.

HON. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for a report on H.R. 3874, a bill to extend the feed grain program (cited as the Feed Grain Act of 1963).

The bill would amend the Agricultural Act of 1949, as amended, to provide for a feed grain program for 1964 and subsequent years very similar to that in effect for 1963.

Under the bill, price support for corn of any crop for which an acreage diversion program is in effect would be between 65 to 90 percent of parity, to those pro-

ducers who participate in the acreage diversion program. Price support for other feed grains would be comparable to that for corn. If no acreage diversion program is in effect, support may be restricted to those producers who do not exceed the feed grain base established for the farm. A portion of the price support shall be made in the form of a payment-in-kind.

An acreage diversion program shall be in effect in any year when it is determined that, if in the absence of such a program, the total supply of feed grains will likely be excessive. Payments, not to exceed 50 percent of the support price (including that portion made in kind) on the normal production of the acreage diverted, are authorized.

The base acreage used to determine the percentage of land to be diverted would continue to be the 1959 and 1960 average adjusted acreage. However, the average acreage of wheat for 1959, 1960, and 1961 produced under the feed wheat exemption (sec. 335(f) of the Agricultural Adjustment Act of 1938, as amended) in excess of the small farm wheat base established for the farm would be included in the feed grain base.

The adjusted yield used to determine the normal production for price-support payments and land diversion payments for the 1964 crop shall be based on the 1959-62 average yield and for subsequent years the most recent representative 5-year period.

The acreage to be diverted would be determined as that necessary to achieve the acreage goal for the crop but could not exceed the larger of 50 percent of the base, or 25 acres.

Payment-in-kind involved in the price-support and acreage-diversion program would be in the form of negotiable certificates with CCC authorized to redeem such certificates for feed grains valued at not less than the current support price less that part of the support price made available through payments-in-kind, plus reasonable carrying charges.

The bill contains a number of other provisions some of which are generally similar to those in effect under the current program, such as (a) the requirement to increase the acreage of cropland devoted to conservation, summer fallow, and idle by the number of acres diverted, (b) the acreage diverted may be used for designated crops with the land diversion payment not more than one-half the rate which would otherwise be applicable, (c) up to 50 percent of the price support and land diversion may be made in advance of determining performance, and (d) oats and rye may be included in the program if so designated.

In addition, based on experience in carrying out the 1961-62 feed grain programs, we recommend several other provisions which we believe to be appropriate in the interest of consistency, effective administration, and fairness to producers: (a) Authority for establishment of new farm bases with no diverted acreage payments to be made during the first year, (b) authority in the case of feed grains as now provided in the case of wheat to adjust normal conserving bases in those cases where the conserving base is abnormally high or low in relationship to comparable farms in the area, (c) authority to adjust for trends in yields so as to keep these yields more up to date, (d) include hardship provisions similar to section 326 of existing laws to deal with cases of producers who acted on the basis of misinformation.

The bill, if enacted, would provide the necessary authority to maintain a balance of production with needs, including a reasonable reserve, to maintain farm income, and at the same time decrease program costs.

The basic objectives of the bill are the same and, from present indications, will be successful again in 1963 as those which have proved so successful in 1961 and 1962. At the beginning of the 1961-21 marketing year, carryover stocks of feed grains were at an all-time high of 84.7 million tons.

By the beginning of the 1964-65 marketing year it is expected that the carry-over stocks will be down to around 50 million tons. Stocks declined during 1961-62 by 13 million tons, and are expected to decline at least 10 million tons during 1962-63.

Without these programs, production would have continued to exceed requirements with mounting costs. Eventual savings from the 1961 and 1962 programs alone are currently estimated to exceed \$1.2 billion.

At the same time, farm income from feed grains has been increased. The value of production from the 1962 crop, including the land diversion payment, exceeded that for 1960 by nearly 20 percent. The proposed bill will make it possible to hold these gains.

As indicated above, it is expected that total stocks of feed grains at the beginning of the 1964 marketing year will be down to approximately 50 million tons.

Thus, for 1964 or subsequent years fewer feed grain acres will need to be diverted to maintain a balance between supply and demand, with an allowance for reasonable reserve.

The proposed bill provides the flexibility needed to vary the level of price support, price-support payments, and the land diversion program to fit the needs for 1964 and subsequent years.

It is recommended that immediate favorable consideration be given to the bill.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ORVILLE L. FREEMAN, *Secretary*.

STATEMENT OF EDWIN A. JAENKE, ASSOCIATE ADMINISTRATOR, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE; ACCOMPANIED BY CHARLES M. COX, ASSISTANT DEPUTY ADMINISTRATOR, STATE AND COUNTY OFFICE OPERATIONS; JOHN A. SCHNITTKER, STAFF ECONOMIST; AND CLAUDE COFFMAN, OFFICE OF THE GENERAL COUNSEL

Mr. JAENKE. Thank you, Mr. Chairman. May I begin by introducing the other Department people who are with me here today. On my left is Dr. John Schnittker, of the economic research group, a staff economist, Mr. Claude Coffman, of the General Counsel's Office, and Mr. Charles Cox here on my right from the ASCS organization that has to do with the State and county administration.

The Department is pleased to report to this Feed Grain Subcommittee on the overall feed grain situation and to present our views on H.R. 3874, which would extend the feed grain program. We are proud, and we believe the members of this committee and the Congress as a whole have a right also to be proud, of the accomplishments of the 1961 and 1962 feed grain programs.

You will recall that on February 16, 1961, when President Kennedy submitted to the Congress a recommendation for the 1961 feed grain program, the overall feed grain-livestock situation was not bright. In his message the President stated that under the legislation then in existence, burdensome surpluses had accumulated and were threatening to drive down farm prices of livestock. With the Government investment in feed grains at a record high of \$4 billion, the President pointed out the following:

If this program is allowed to continue in effect for this year's crop, the stocks in Government hands will reach even more alarming proportions, a virtually unmanageable storage problem will be created, farm income will continue to suffer, and large amounts of Government funds will be needlessly expended.

First, this committee and subsequently the entire Congress recognized this situation and enacted Public Law 87-5. Later in the session Congress extended the program to include the 1962 crop.

Farmers, too, recognized the danger in a program of unlimited production. Some 1.2 million feed grain producers throughout the United States signed up to participate in the new voluntary program and diverted more than 25 million acres from the production of unneeded feed grains to needed conservation uses. Again in 1962 some 1.3 million farmers again elected to cooperate in the program to bring about balance between feed grain supplies and demand. In this case they diverted nearly 30 million acres.

As a result of this cooperation on the part of the Congress, the administration, and the farmers of America, carryover stocks have been reduced from 84.7 to an estimated 61 million tons next October 1, the end of the marketing year for the 1962 crop.

At the same time net farm income has increased by over \$1 billion per year. In each of these years, much of the increase in farm income was attributable to the feed grain program. As an example, the value of production from the 1962 crop, including the land diversion payments, exceeded the value of the 1960 crop by nearly 20 percent.

Taxpayers, likewise, benefit from this successful effort to bring about a balance in the feed grain economy. In the absence of the feed grain program, production would have continued to exceed requirements and thus result in continually increasing costs for storage, handling, interest, and so on. However, as a result of a reduction in the carryover stocks of nearly 25 million tons in the 2-year period, ultimate savings to taxpayers will be more than \$1.2 billion. Last summer the Congress extended this successful voluntary approach for the 1963 crops of feed grains. There was one significant change. In the current program, the 1963 program, a portion of the farm price support is provided in the form of a price support payment in kind. This makes the 1963 program better adapted to the operations of the feed grains-livestock producer and assures an advantage for cooperation. While we have only the report of the first 10 days of the signup now going on, every indication points to results for the 1963 program about equal to that which was experienced in 1961 and 1962. Therefore, by the beginning of the 1964 marketing year, it is expected that carryover stocks for feed grains will be about 50 million tons—about to the level considered to be a reasonable safe carryover.

These facts are reason enough for this committee and the others who helped develop this program to be proud of their efforts to help the farmer and the taxpayer.

The question before the Congress today is whether the gains which have been made—reduced stocks, improved farm income, and reduced program costs—will be maintained and consolidated or whether we revert to a program of unlimited production and disastrously low prices.

As this committee is well aware, there is no authority after 1963 for a diversion program for feed grains. Furthermore, the law directs the Secretary of Agriculture to establish price supports for corn and other feed grains at such level as will not add to surplus stocks. The effect of this would be price support in the range of 80 cents per bushel for corn and comparable levels for other feed grains. Even so, with unlimited production there would likely be an accumulation of surplus stocks. Prices for hogs, cattle, poultry, and dairy products, and other commodities would fall. If a return to this type of situation is to be avoided, action is necessary on new feed grain legislation.

The President recommended in his recent agricultural message that new legislation to—

take advantage of the knowledge and experience gained under the 1961–62 and 1963 programs.

He further stated:

It should (1) be a voluntary program, (2) be flexible enough to meet varying conditions and needs, and (3) be based upon the same basic principles which have proven successful in the last 2 years.

Either the 1961 and 1962 or the 1963 types of program can effectively meet these requirements. Assuming carryover stocks by the end of the 1963 marketing year are near a safe reserve level, the legislation needs for 1964 and subsequent years call for a program geared to maintain those stocks at about that level.

This will require sufficient flexibility to enable the Secretary of Agriculture to adjust program provisions so as to maintain the desirable balance at the lowest cost consistent with the goal of improved farm income.

We believe the bill before the committee, H.R. 3874, would meet the requirements outlined above and we urge its immediate and favorable consideration.

The bill would amend the Agricultural Act of 1949, as amended, to provide for a feed grain program for 1964 and subsequent years very similar to that in effect for 1963.

Under the bill, price support for corn or any crop for which an acreage diversion program is in effect would be between 65 and 90 percent of parity, to those producers who participate in the acreage diversion program. Price support for other feed grains would be comparable to that for corn. If no acreage diversion program is in effect, support may be restricted to those producers who do not exceed the feed grain base established for the farm. A portion of the price support would be made in the form of a payment in kind.

An acreage diversion program would be in effect in any year when it is determined that, if in the absence of such a program, the total supply of feed grains will likely be excessive. Payments, not to exceed 50 percent of the support price—including that portion made in kind—on the normal production of the acreage diverted, are authorized.

The base acreage used to determine the percentage of land to be diverted would continue to be the 1959 and 1960 average adjusted acreage. However, the average acreage of wheat for 1959, 1960, and 1961 produced under the feed wheat exemption—sec. 335(f) of the Agricultural Adjustment Act of 1938, as amended—in excess of the small farm wheat base established for the farm would be included in the feed grain base.

The adjusted yield used to determine the normal production for price-support payments and land-diversion payments for the 1964 crop would be based on the 1959–62 average yield and for subsequent years the most recent representative 5-year period as in other commodities.

The acreage to be diverted would be determined as that necessary to achieve the acreage goal for the crop but could not exceed the larger of 50 percent of the base or 25 acres.

Payment-in-kind involved in the price-support and acreage-diversion program would be in the form of negotiable certificates with CCC authorized to redeem such certificates for feed grains valued at not less than the current support price less that part of the support price made available through payments-in-kind, plus reasonable carrying charges.

The bill H.R. 3874 contains a number of other provisions, some of which are generally similar to those in effect under the current program, such as (a) the requirement to increase the acreage of cropland devoted to conservation, summer fallow, and idle by the number of acres diverted; (b) the acreage diverted may be used for desig-

nated crops with the land-diversion payment not more than one-half the rate which would otherwise be applicable; (c) up to 50 percent of the price support and land diversion may be made in advance of determining performance; and (d) oats and rye may be included in the program if so designated.

In addition, based on experience in carrying out the 1961-62 feed grain programs, we recommend several other provisions which we believe to be appropriate in the interest of consistency, effective administration, and fairness to producers: (a) Authority for establishment of new farm bases with no diverted acreage payments to be made during the first year; (b) authority in the case of feed grains as now provided in the case of wheat to adjust normal conserving bases in those cases where the conserving base is abnormally high or low in relationship to comparable farms in the area; (c) authority to adjust for trends in yields so as to keep these yields more up to date; (d) include hardship provisions similar to section 326 of existing laws to deal with cases of producers who acted on the basis of misinformation.

In conclusion, Mr. Chairman, and members of the committee, the problems of overproduction and huge stocks, with the associated high costs, are near solution.

With action on feed grain legislation along the lines we have outlined, and such as are contained in H.R. 3874, there is the opportunity for stability in the feed grain-livestock economy with improved income to the producers and minimum program costs. Therefore, we urge prompt and favorable action on this important legislation.

Mr. POAGE. Thank you, Mr. Jaenke. I wonder if you might not want to discuss in a little more detail the suggestion to include authority for a new farm base. That is something that we have felt that we may have to consider in this legislation, something it seems to me that we need to discuss.

Mr. JAENKE. Yes, sir. Prior to this, in 1961 and 1962, where the bases were established, and where the program was at that time, I think, expected by most of us to be superseded by some other type of program at some later date, we discussed, I believe, with the committee once or twice the problem that would come up in the years ahead. Now we see it coming up in the case of this bill which would authorize a similar type of feed grain program for 1964 and the years thereafter and we believe that there does need to be some authority to provide for new farm bases in cases of entire cropping operations, entire farming operations, where they are changed, where we have not been able to do anything in the past for the farmers, who, for some reason completely outside of their control, or within their control, did not plant the feed grains in those 2 years, which was the base period. We do not have the authority to do anything to help these people. There are many circumstances, such as drought, or other factors which prevented them from growing any of the named feed grains in those years. We cannot give them an opportunity to participate in the program.

Mr. POAGE. It seems to me that you should be able to do so.

Mr. JAENKE. We think that we should. We felt that the best way was to give them a base. They would be required to divert the first year, but without payment, as a method of getting them in on a comparable basis.

Mr. POAGE. They would be required to divert the first year; without any base. How would they divert or be able to?

Mr. JAENKE. The county committee would establish for them, in relationship to the other farms in the county and to their own farming operation, a feed grain base of, let us say, 100 acres, as an example. In the first year of operation they would be required to produce only 80 acres. In other words, they would be required to reduce it 20 percent. They would not receive payment on the first year of operation for that 20-percent diversion.

After that first year of operation, with their 100-acre base, they could then come into the program, plant 80 acres and be eligible for payment for the diverted acres.

Mr. POAGE. I agree with you that we should let them in, but it seems to me that you are letting them in on very easy terms. A man cannot get into any of the existing programs that easily, can he? He cannot come into the cotton program and become a cottongrower that easily.

Mr. JAENKE. I used 100 acres only as an example. Actually, the producer who did not have a base in 1959 or 1960, because they did not plant, since it was a voluntary program, could go ahead and plant feed grains, anyway—so they would be able to establish some sort of a planting history here. Then the county committee, who is not to give them any advantage over others who have participated, would need to establish a base consistent with other farms in the county.

Mr. POAGE. The only point I am making is that it seems to me that you are letting them in very easily. Of course, actually, this legislation would not keep them from planting their whole farms in feed grains if they wanted to do that, but it would keep them from getting the benefits of the program if they did that sort of thing.

Mr. JAENKE. Correct.

Mr. POAGE. And you are simply saying that you can get the benefits of the program rather quickly and rather cheaply, I think. I think you offer the new cooperator a bargain. Maybe it is desirable to offer him a bargain.

Mr. LATTI. Will you yield?

Mr. POAGE. Yes.

Mr. LATTI. What you are proposing here is that a farmer who had not been producing feed grains can come into the program the first year without a diversion payment. Is that what you are proposing?

Mr. JAENKE. What it is considered to do is this: In some cases in the 1959-60 base period the farmers did not plant feed grains. In many cases they had planted them years before and had planted them since then. They are now under the rather tight legislative authority where they are not permitted to come into the program, because they have no base in the 1959-60 year period, because it is a voluntary program. To avoid and prevent the benefits of the program accruing to others who have come in later we need some authority to give them, on the basis of their historical plantings, comparable to other farmers in the county, some sort of way to come in and participate.

We have had, I do not know how many, letters from farmers who say, "How can I come in and get price supports and the benefits under the program?"

Mr. LATTI. Is that not the question that I asked?

Mr. JAENKE. If so, I misunderstood you. I think I have expressed the intent of this provision that it is to give producers who, for some reason or other, did not have a base feed grains in 1959-60, but who

normally would have one, an opportunity to come into the program on a comparable basis with other producers.

Mr. LATTI. Is that consistent with what you are trying to do? I am not producing feed grains. Under this proposal, after the first year you are going to pay me for not producing the feed grains that I was not going to produce?

Mr. JAENKE. I do not think this is quite correct. You are now on a 300-acre farm, producing 200 acres of feed grains, we will say. You do not have a base. Instead of producing for 1964 and any year thereafter the full 300 acres, this would enable us to give you a base comparable to what you had been doing prior to 1959-60, and then you would reduce by 20 percent, so that the net effect would be to reduce the production, rather than to increase it. The bulk of these people, who for some reason or other did not plant in 1959-60, who would become eligible under this proposal, are the ones who normally did plant before and have since planted feed grains. Since they are planting the full amount now, would it not be better to bring them into the program and reduce the production from their farms by 20 percent?

Mr. LATTI. Take my case again; I have not produced feed grains at any time in my lifetime.

Mr. JAENKE. You would not be eligible under this provision.

Mr. LATTI. I would not be eligible?

Mr. JAENKE. No, sir. In other words, we are not trying to get into a case where a farmer produced, say, up to 1958 feed grains, and then changed his operation completely, and maybe went into a beef-raising operation or something else, and now decides to come back in—this is not the type of situation. We are trying to get to those where maybe illness or weather conditions prevented them from planting in 1959 or 1960, or maybe the opportunity looked better in some alternative crop—a number of different special-type circumstances which prevented them from doing it. We are now prohibited from doing anything to alleviate what we think is a legitimate hardship case. Nationwide, this could be a very small total acreage in percentages. This is not to open up the program. It is to try to take care of some special hardship cases.

Mr. LATTI. Thank you.

Mr. JONES of Missouri. Mr. Jaenke, do I understand that this person would have to have had a history of having planted feed grains in years prior to 1959 and 1960?

Mr. JAENKE. That is correct.

Mr. JONES of Missouri. And also would have planted feed grains in 1961 and 1962?

Mr. JAENKE. And for some special reason had not planted in the 2-year period.

Mr. JONES of Missouri. In those 2 years?

Mr. JAENKE. That is right.

Mr. JONES of Missouri. Let me modify that to say that a person who, during the years 1959 and 1960 had cleared or by some other process brought into production new land, this would not give him the same privilege, would it?

Mr. JAENKE. This would not specifically authorize for a new reclamation project the new acres that would be brought into production, that is, in this legislation that we have right now.

Mr. JONES of Missouri. They have to have a history of planting prior to 1959-60. How many years would you presume that he would have had to have had to establish that history?

Mr. JAENKE. Mr. Cox advises me, sir, that in similar situations in other crops we require some experience and leave it to the county committee to determine whether 3 years is sufficient experience in planting this, rather than to set up a specific requirement of 3 years or 5 years or 2 years or 1 year.

Mr. JONES of Missouri. In other words, the county committee would determine in their minds whether or not he could have been considered to have been producing feed grains to, at least, to provide a substantial portion of his income on that farm, is that it?

Mr. JAENKE. Yes, sir.

Mr. JONES of Missouri. Thank you.

Mr. QUIE. Mr. Jaenke, under the present law, it provides that—

The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, types of soil, soil and water conservation measures, and topography.

That, it seems to me, gives the Secretary pretty broad authority. How does this new recommendation differ from that; your explanation of your recommendation seems to be the same thing that the Secretary has now in the law.

Mr. JAENKE. Were you reading from this bill?

Mr. QUIE. I am reading from the present law.

Mr. JAENKE. This bill does not have that provision in it, does it?

Mr. COFFMAN. Well, Mr. Jaenke did use the words, "abnormal weather conditions" in his discussion of it. An adjustment could be made for that under existing law, Congressman Quie. But there still are individual cases that have arisen in which it has not been possible to adjust under this authority. Actually, in the case he used of the abnormal weather conditions, I think that could be handled, but there have been other cases where the problem has not been one of the factors mentioned in the existing law.

Mr. QUIE. Under the existing law he surely can take into consideration conserving practices, he can take into consideration the total number of acres, the type of soil, and these other things.

Mr. COFFMAN. Are you speaking of the conserving basis? Mr. Jaenke has been talking about something different. There are two proposals. One is to set up a new feed grain base. That is all Mr. Jaenke has been talking about so far. You are going into another problem now, which is adjusting the conserving acreage, where the limiting factor in the existing law is that all you can do is to adjust the conserving acres for some situation that existed during 1959 and 1960 or for some of these other factors which you mentioned. Probably, some of the adjustments could be made under the proposed bill. But last year, in the wheat bill, you took great pains to spell out exactly what we could do by way of adjusting the conserving acres for that program.

Many of these farms are in both the wheat program and the feed grain program, and it would be difficult to tell the farmer, "You cannot use the same normal conserving base acreage for both programs"—it would be difficult to tell him that we can adjust his normal conserving

base for the wheat program, but cannot adjust it for the feed grain program. The proposal here is to make them identical.

I do not doubt that most if not all of the adjustments which we would like to make in the conserving base could be made under the proposed bill. It is not absolutely clear, however, that we could adjust exactly to the same extent that we could under the wheat legislation. I think it would be preferable to have them identical.

Mr. QUIE. Thank you.

Mr. POAGE. You make several other suggestions. Would you like to comment on them?

Mr. JAENKE. Mr. Chairman, Mr. Coffman, of our general counsel's office, is preparing a legislative draft that will follow these three or four points here, and I think that probably our discussion would be more beneficial after we actually look at the legislative draft of the details, as to what differences there are, and, in response to your question, Mr. Quie, specifically as to the different points.

Mr. QUIE. If you will yield. Would you have in mind to adjust that for broad areas, so that even if a farmer was not increasing his efficiency in production but his actual yield increased he would get the benefit of the trend of increasing yields in his particular area?

Mr. JAENKE. We would envision this to follow the national basis. Where the national yields go up in areas we have authority to adjust them consistent with the growth pattern. In other words, it would be translated from the national down to the State, and then to the county, and then to the farm. The county committees would still retain the same type of authority they have now.

Mr. Cox. I think that a better way to say it is that if you do not adjust county and State yields for trend the chances are that the farmers in that particular county or that particular area will not be able to get the yield that they would otherwise be entitled to.

Mr. POAGE. May I say that I have not seen or heard anything yet to cause me to change my view that I am not going to vote for any more authority to use the BAE rating to tell anybody what he grew, when you know and I know that he did not grow it or he grew something different. I have had just enough headaches on these postcard reviews, and that is all they are. I do not think BAE knows much about it when they get those postcards. At least it has not been our experience in the past. This simply opens the door to just about anything that you want. It has worked some terrible injustices on some individuals. We saw it in the cotton program. You were not in the department then, were you, Mr. Coffman? You know what the yield trend in the cotton program did. You know of the terrible disasters it worked. How in some instances it took away allotments from other people. You remember some of those complaints that arose at that time.

Why do we open the door to that sort of thing again?

Mr. JAENKE. We have two things. One is in the bill and the other is one of these other suggestions that we just made here, both of which tried to get at the same general problem, which all of us here are familiar with, and that is, that when you use a specific base period, as we have in the past, 1959-60, with the modern developments and improving technology in agriculture our yields are going up very rapidly and are not properly reflected in the official figures determined under existing authority.

The bill that you have introduced would provide the authority for including, first, the 1961 and 1962 years, and then after that, the last 5 years moving average to try to keep these yields more nearly up to date. I think it is very, very difficult for farmers to understand why the official department figures show that their yield, let us say, is 65 bushels per acre, when they know that they have been producing more than that for at least 5 years. Part of the problem is the lag. We have this in every commodity. I think it is probably the source, as you indicated, of more trouble and aggravation among farmers when they see a yield figure here, because their payment rates are based on that. They have difficulty when they see that it is that far behind what they are actually producing.

If there are some other ways that the committee has to meet this problem other than the two that we are suggesting—one that is in the bill, and the other one that we have suggested here this morning—we will be happy to go along with them, but we think that something needs to be done to try to keep these yields more up to date.

Mr. POAGE. In the bill that I introduced the base period is based upon what was actually grown on that land.

Mr. JAENKE. This is true.

Mr. POAGE. He has the right to come in and prove that.

Mr. JAENKE. And as we move into the additional years he will have an opportunity to prove those, too.

Mr. POAGE. That is right.

Mr. JAENKE. This will help a great deal in this problem.

Mr. POAGE. Beg pardon?

Mr. JAENKE. This will help a great deal.

Mr. POAGE. Now, then, I think you have got to keep your records current, but all I am saying is that you have got to keep records, rather than guessing, and on this thing that we have in the bill you are saying that you are going to get 5-year moving average, by dropping the year 5 years back, and picking up the last one.

Mr. JAENKE. Right, sir.

Mr. POAGE. Now we have a question that is proveable for each individual farm, for example, whether Mr. Quic's farm is increasing in production, because he can very well prove if he grew 60 bushels in 1960, and that in 1962 he grew 75 bushels. That is a matter of proof. Or by 1965 he has gone up to 90 bushels or any other figure, that is a matter of proof, but when you talk about these trends you are merely talking about as in cotton what the BAE guesses. You do not talk about what anybody did. That is the BAE's guess and their guess is about as poor as some other guesses that have been made. I do not want to get into that guessing game again. I am perfectly willing to give you the right to adjust these figures to the figures that can be proved, but do not let us get into the individual guessing game. That is what you want to do on this trend, is just to suggest that the State of Minnesota is increasing at this rate, and you guess that Iowa is decreasing at this rate.

Mr. JAENKE. As you point out, the authority for the adding of these other years, and keeping more nearly on a moving current base, may take care of the problem. If it will, we will be happy with that, too.

Mr. POAGE. I was hopeful that you would keep on the proposition of what the actual record is for an individual, rather than guessing what the trend is in an area.

The wheat bill, for example, has always been extremely loose, as everybody knows. You can change a man's wheat allotment because there are so many things that you can do. You take into consideration so many factors. There are so many of these factors in the wheat law, and always have been, because the wheat people wanted a loose kind of construction, but it seems to me that you have to have a little more leeway maybe there where you have complete control, where you have acreage allotments. In this bill you do not have any acreage allotments. These records are made for the purpose of finding out who wants to go into the program, and whether it is profitable for him to go into the program. Any of these people can grow all of the feed grains they want to grow under the terms of this bill.

The cotton bill does say that if you plant more cotton than you are allotted you suffer a penalty. However, you do not suffer a penalty of a penny if you plant more feed grains.

It does not seem to me that we need to be as free about making adjustments here. I think you should have some way to let new people come in. If you do not let people come in you will get a substantial number of growers who are forever precluded from coming into the program, and as the program becomes more successful they will be tempted to plant all of their lands in feed grains and in that way they will tend to break down the benefits that we are seeking to secure by a relatively high price method of bringing about the adjustment, because after all, we have to recognize that this is a high priced method. I will say this, the Congress knows it is a high priced method. We are not trying to kid anybody that we are giving you the cheapest program. We are giving you the only program we think we can pass and it is going to cost the taxpayers some money, but is it going to work—it has worked. It is expensive, but expensive because we cannot get an alternative. We might as well face it. We will have to pay out the money. We ought not to pay out any more than we have to pay out, however. And we ought not to create a big block of people who never can participate and let them break the program down, or force them to break the program down, because they cannot participate. That is why I think we ought to make a provision for new growers, but I doubt the advisability of making it too easy for anybody to participate. I think that maybe in wheat that is all right, but you do not have to do that in feed grains.

Mr. LATTA. Mr. Chairman, as to opening up the doors to people who have not produced feed grains during the base period, you did not make any such recommendations in the wheat program. Can you explain why you made this recommendation for feed grains and not for wheat?

Mr. JÄENKE. There are two or three differences that we do have in all other programs, such as peanuts, tobacco, cotton, and wheat. Provisions for new farm allotments is No. 1. And No. 2, in all of these other commodities where it would apply and be appropriate, the base period is a much longer period. It is a moving average. If you will remember, in the new wheat legislation passed last year we now have a 5-year moving average. Anyway, in all of the programs we have a 3- to 5-year moving average and in some cases even a 10-year moving average base history. This has been in the programs since the very beginning.

The difference, of course, here and the difference between those and this one is that these programs that I am referring to are mandatory

programs; but in this case, being a voluntary program, the need for it is for people who, for some reason or other, did not plant who would be permanently kept out of the program if we do not have some type of provisions letting them come into the program.

Mr. LATTA. I want to associate myself with the remarks of Mr. Poage that a man should get what he actually proves.

I notice on page 7, line 18, of the bill, you say:

To the extent that a producer proves the actual acreages and yields for the farm, such acreages and yields shall be used in making determinations.

Is that something new about proving the acreages?

Mr. COFFMAN. That is identical to the present law, last year's law.

Mr. LATTA. Last year's law?

Mr. COFFMAN. 1962 and 1963, both.

Mr. LATTA. The reason I raised that question is that we have some producers in my area who actually proved their yields and then were cut down on their base, just arbitrarily. They should have come in and proved their acreage without having their base cut, is that right?

Mr. JAENKE. Again, 1963—and it would be the case in 1964—they could prove both.

Mr. QUIE. Would you yield?

Mr. LATTA. Yes.

Mr. QUIE. In this bill, however, only the yield that can be changed under 5-year moving average period, and not the acres, is that not correct? Any acreage change would have to come at the discretion of the Secretary?

Mr. JAENKE. Well the basic acreage is there for 1959 and 1960.

Mr. QUIE. Yes, that is correct. There is no way that they can change the base except to go to the Secretary and try to get an adjustment—that is the only way that they can do that because that is the way it is.

Mr. COFFMAN. You cannot really change the feed grain base under this bill for changes that occurred after 1959–60. Under this bill and under existing law feed grain bases are tied to the 1959–60 base period. The proposal Mr. Jaenke made would allow the Secretary to set up a new farm feed grain base, but under the existing law and under this bill you are frozen to the 1959–60 base period.

Mr. QUIE. Under the existing law changes in the 1959–60 law would come upon the request of the farmer?

Mr. Cox. For adjustments.

Mr. QUIE. However, this section that you have would permit the Secretary to change his feed grain base to some lower figure, if you feel that his present base is not high enough, where you say:

The Secretary may make such adjustments in acreage and yields as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acres, crop-rotation practices, types of soil, soil and water conservation measures, and topography.

Is that correct?

Mr. JAENKE. Yes, this relates to the conserving base part, not to the feed grain base acreage of 1959–60.

Mr. QUIE. Do you consider the base, for example, if he had corn on all of his acres he would be reducing the feed grain base?

Mr. JAENKE. In that case you would, yes.

Mr. QUIE. This parallels the green acres program then.

[Laughter.]

Mr. POAGE. Are there other questions of Mr. Jaenke?

Mr. HARVEY of Indiana. Yes, I have some.

Mr. QUIE. I have one other on this bill.

Mr. POAGE. Are there any other questions as to the suggested amendments, at the moment?

Mr. HARVEY of Indiana. Mine do not have to do with that. My questions have to do with his statement.

Mrs. MAY. I have some questions.

Mr. POAGE. All right.

Mrs. MAY. Of course, you will have to establish some criteria and guidelines on how the Secretary shall make the determinations. As I understand it, this has to be initiated by the farmer himself, is that right?

Mr. JAENKE. That is right.

Mrs. MAY. Then he in turn can go and prove to the county committee that he had a very good reason for not having grown it?

Mr. JAENKE. Yes.

Mrs. MAY. Will the Secretary himself, if this legislation is passed, do this, or give that to the local committee to do?

Mr. JAENKE. I think that we would have to have some criteria and guidelines set in here before the program could go out to the county committees, so that the farmers would know about it. We would be happy to have any suggestions.

Mrs. MAY. It occurs to me that it might be helpful, since we get questions not only from our own farmers that we represent, but our colleagues in Congress, to give the committee some type of idea as to what the Secretary would have in mind in establishing criteria on which he would base his decision to give relief or adjustment.

Mr. JAENKE. We would be pleased to do this, as indicated.

Mrs. MAY. You have received letters where you have been unable to give people any adjustments.

Mr. JAENKE. Yes.

Mr. HARVEY of Indiana. Will you yield?

Mrs. MAY. Yes.

Mr. HARVEY of Indiana. Mr. Jaenke, on page 3 of your statement you have mentioned toward the end of the first paragraph the figure of 50 million tons. I am used to thinking in terms of bushels, rather than tons. I have tried to translate that into bushels and I come up with a figure of, approximately, 1.8 billion bushels. Is that approximately the figure that you have in mind in this case?

Mr. JAENKE. Yes, sir; this is 1.9 billion bushels.

Mr. HARVEY of Indiana. That represents approximately 6 months or one-half year's production, or supply, translated into terms of consumption?

Mr. JAENKE. A little less than 6 months—probably around $4\frac{1}{2}$ to $5\frac{1}{2}$.

Mr. HARVEY of Indiana. I just wanted to comment on that, because I think that on the basis of my observation and experience that is a very fair figure. I think it is a target to shoot at. I do not think that we should have much less than that in reserve as a safety factor; neither do I think that it is necessary to have much more than that in reserve as a cushion. That is all.

Mr. POAGE. Thank you.

Mr. DUNCAN. Mr. Jaenke, you say that they have to show some history of growing. Is this a personal history on the part of the farmer or is it based on the part of the land?

Mr. Cox. This probably is the same kind of criteria that we would lay down in the case of feed grains as in others, personal history on the part of the operator.

Mr. DUNCAN. Of that operator?

Mr. Cox. Yes.

Mr. DUNCAN. Mr. Poage has said that this is an expensive or high-cost program. How do we reconcile that with the \$1.2 billion saving which you say that the taxpayers would get as a result of this feed grains program?

Mr. JAENKE. Yes, sir. I do not mean to put words in the chairman's mouth, but I think that he was referring to the type of program, and I think that he probably meant the voluntary as opposed to a mandatory type program.

I think it was rather clear in the discussions last year, in considering a mandatory-type feed grain program, sir, that it is much less expensive than a voluntary type of program, and for a number of different reasons. To mention one or two, all producers, if approved in a referendum, would share in the reduction with a voluntary program. We know that, in 1961, some producers expanded their acreage, while others were coming into a program on a voluntary basis and reducing it. As to the savings, this is an ultimate savings to the taxpayer and it is based on the alternative type of program of no program versus this program. In other words, we had 84 million tons of feed grains beginning the 1961-62 marketing year. Based on the experience of 1959-60, with no program and unlimited production, we would have produced about another 6 to 8 to 10 percent that year and would have added that to the carryover. And under that program it was eligible for a loan. It comes into the Government's hands and it commits the Government to spend money for storage, handling, interest, administrative expenses, for a period of years.

Mr. DUNCAN. It is not as inexpensive as the mandatory program; is that basically what you are saying?

Mr. JAENKE. Yes.

Mr. DUNCAN. Are we not realizing the savings as we go along?

Mr. JAENKE. We are realizing a portion of them immediately and will continue to realize a portion of them each year.

Mr. DUNCAN. So long as it is a voluntary program, to what do you attribute, at least, the apparent success of this program—what other factors worked to offset the point that growers have of growing as much as they want, of increasing their production in acreage, that is, in terms of their acreage and not in terms of units of production—what factors are there in this program contributing to that success, that are not found in the other programs?

Mr. JAENKE. It has been a very popular program, even by those who have not participated in it. About 1.2 million feed grain farmers have come into the program. If one-half as many came into the program, then the success would have been considerably less. I think, quite frankly, that the amazing success of this program is because of the participation on the part of the farmers, and that is more than anything else the reason that it is effective.

Mr. DUNCAN. What percentage of participation has there been, if you know?

Mr. JAENKE. By numbers?

Mr. DUNCAN. By percentages. Have we had 90 percent participation?

Mr. JAENKE. We have had 43 percent of the producers signed up in the 1962 program. In terms of acreage the percentage is higher—around 60 percent.

Mr. JONES of Missouri. There is one thing that I would like to clear up. Mr. Cox said that this history was based on the individual history rather than on the farm history. I want to get that clear. It has always been my understanding that it has been the history on the farm. The only place that you have a personal history is in the rice program.

Mr. Cox. Congressman Jones, you are absolutely right so far as old farm allotments are concerned, but where we are providing farmers with new farm allotments one of the things that we require the county committee to consider is whether or not the operator has had any experience in growing this particular crop. This is particularly true in the case of tobacco, for example.

Mr. JONES of Missouri. On the base there is what?

Mr. Cox. This is not with respect to the amount of the acreage that he has produced, but whether he has had the experience, whether he knows how to grow these crops at all.

Mr. JONES of Missouri. I do not want to belabor this point, but when you get into that question, of course, you have veteran's preference, at least, that is a consideration.

Mr. Cox. That is right.

Mr. JONES of Missouri. He might not have any experience at all in growing the crop.

Mr. Cox. I only mention this as one of the criteria that is used at the present time. We are advocating that it be established on the basis that we establish personal allotments for these people.

Mr. JONES of Missouri. That is news to me, because I cannot recall any time when you have had it except in the case of rice, where they carry their allotment in their hip pocket. I never knew of it for anything else.

Mr. POAGE. May I point out that in the wheat program there is a provision that the Secretary can take into consideration, in making the allotments, the equipment that is available and the experience of the grower, and the quality of the land and all of these various items. That is in the wheat law and has always been there.

Mr. Cox. This is correct.

Mr. POAGE. That has been there for 15 or 20 years.

Mr. JAENKE. Maybe I could cite an example, Mr. Jones, that might clarify this. Let us say that a particular cotton farmer has been producing and had an allotment of 40 acres or something along that line, but for some reason he was forced to leave that farm and go to a new farm in a different part of the State which had not had a history of cotton production on that farm. This is then when he comes in and applies for a new allotment for that farm.

Mr. JONES of Missouri. But at the present time that county would have had to have a reserve to have done that, or are you going to take it from some old producer? For instance, a man is renting land on a farm that has a 40-acre cotton allotment and then he goes to another farm that does not have a cotton allotment, do you mean that the 40-acre allotment would remain with the farm where he had been,

and the owner of the farm would retain that allotment, and then would there be a new allotment for the tenant who moves to a different farm, a farm that did not have an allotment?

Mr. COX. This would be a possibility, Mr. Jones, but I think that Mr. Poage indicated a few minutes ago that in most cases the amount of the reserve which is held for new farm allotments, which we propose would be held for new farm bases, if the authority is granted, would be extremely small.

Mr. POAGE. Just one-half of 1 percent.

Mr. COX. It is very small; yes, sir.

Mr. HARVEY of Indiana. As I understand you try to safeguard that by limiting such transfers to instances such as the Government taking over by right of eminent domain, and things of that sort where the cotton base was lost.

Mr. POAGE. I may say this on cotton, that there is no provision for transferring the base, except as Mr. Harvey has stated, where the land that he was on has been taken out by eminent domain and he moves it to another farm which he owns. But there is no provision for selling or leasing the cotton bases. All that we are talking about in cotton, for example, is one-half of 1 percent which is set aside for the new growers and for inequities. The State committee allocates that one-half of 1 percent to the counties to take care of the new growers and the inequities. The only cotton that can be allotted to a new grower comes out of that one-half of 1 percent. There is not any other place that you can get cotton allotments for a new grower. You cannot take it from the old grower and give it to a new grower. You can only give it out of the one-half of 1 percent. And one-half of 1 percent does not look like much cotton, but it is a whole lot of cotton over the Nation. It takes care of a whole lot of hardship cases and it prevents a lot of complaints coming up here, but nobody can get into the cotton business full blown the first year. It will take him several years. It will take about 5 years to give a man sufficient time to build him up to what the committee thinks he ought to have. If they think he should have 40 acres, they do not give him 40 acres the first year, they give him 8 or 10 acres at the outside. They build him up a little each year until he gets to where they think he is actually entitled to be.

As I understand it you will take these things into consideration in handling the new growers.

Mr. COX. This is correct.

Mr. MATSUNAGA. Mr. Jaenke, you state that 50 million tons is considered to be a reasonably safe carryover. How was that figure arrived at?

Mr. JAENKE. I would like to refer this question to Dr. Schnittker, with one preface. A range of 45 to 50 million tons is what we considered to be a safe carryover. As pointed out before this is a little less than 5 months, or $4\frac{1}{2}$ to 5 months supply, based on current utilization, domestic and exports.

John, would you answer the Congressman on the question of the determination of the figure?

Mr. SCHNITTKER. About one-half of that figure is an estimate of the feed grain reserve we would need to cope with the instabilities in production that we expect in feed grains. Since corn, sorghum, barley, oats are produced all across the country and mainly in areas

where rainfall is pretty regular there is not much instability in production. Hence 25 or 30 million tons is thought to be enough to guard against irregular weather conditions.

In addition the department is charged with certain defense and emergency responsibilities.

The remainder, roughly 15 to 25 million tons, is an estimate of additional stocks that the department would need to carry to meet certain emergency and defense obligations which have been delegated by the President to the Secretary.

Mr. MATSUNAGA. This is within the course of a year?

Mr. SCHNITTKER. Yes, sir; within the course of a year, until a new crop comes along. And in terms of the weather aspect, we assume that we would have one season as dry as we have ever had, followed immediately by a fairly poor crop; in other words, one serious drought followed immediately by one moderate drought, yet this reserve would carry us over that.

Mr. MATSUNAGA. Is this to open the door to those who have not been growing grain up to now, as you propose in this new bill?

Mr. JAENKE. No, sir.

Mr. MATSUNAGA. No?

Mr. JAENKE. No. Perhaps I have not explained this sufficiently. This is not for those who have not been growing feed grain in recent years. This is for those who have been growing, and have been growing larger amounts, and who have not been eligible to come into the program because of something that happened back in 1959 and 1960, which is the base period. This would let them come in and reduce, rather than continuing to over produce.

Mr. MATSUNAGA. Thank you.

Mr. BEERMANN. You stated in your statement:

In his message the President stated that under the legislation then in existence burdensome surpluses had occurred and were threatening to drive down farm prices of livestock.

Now you state that there has been a reduction of these burdensome surpluses from 84.7 to an estimated 61 million tons in a 2-year period, and with cattle selling for \$32.50 or 32½ cents a pound, a few months ago, and in the 24- to 25-cent area today, it looks to me like that is a little wrong. Will you verify that for me?

Mr. JAENKE. I think that you are comparing a short-term period. We are not at all happy with what has been happening in the cattle market in recent months.

Mr. BEERMANN. The point is that the burdensome surpluses at that time were 84.7 million, and they are down 25 million tons. The surplus was reduced 25.5 million tons, and the price of livestock still goes down.

Mr. JAENKE. The prices until the last few months have been very, very good for beef cattle and for hogs as well. It is a well-known fact that when you have an overabundant supply of feed grains at relatively low prices there is a tendency to expand the livestock production. This occurs at a different rate. Poultry is one of the most rapid in which expansion can take place. Beef cattle is one of the slower ones in which the expansion takes place, although the feeding rates do increase.

As this condition of overabundance, overproduction, and low prices continues, it has the effect of bringing down the livestock prices, be-

cause the producer further increases production and inevitably the price comes down. This has occurred time after time.

Perhaps if we had not passed the 1961 feed grain program and we had continued with the effective price for corn in the range of 90 to 92 or 93 cents on the farm, as had been the case in the 2 years prior, we might well have had cattle prices as low as \$20 and hogs \$10 by now.

Mr. BEERMANN. But following the logic that increased support prices cause additional feeding of cattle?

Mr. JAENKE. I think higher feed prices have discouraged any expansion or additional feeding of cattle or of hogs and other livestock as well, compared with what it would have been if the prices had continued. The average price of corn in 1961, let us say, as compared to 1960, increased 10 cents a bushel—average prices received by the farmers. Had that remained at 94 cents it certainly would have been more of an incentive for livestock expansion than an increase to \$1.02 or \$1.03.

Mr. BEERMANN. Thank you.

Mr. QUIE. Mr. Jaenke, we have talked of your request for additional authority to set a new feed grain base, and a conserving base. The additional increase in authority of the Secretary in this bill would be the opportunity to set the direct payment now set at 18 cents in the law, and the authority to set the diversion which is required of the farmer to comply; is that correct?

Mr. JAENKE. That is correct.

Mr. QUIE. What would you expect the direct payment to be, instead of the 18 cents that he has the authority to do for this coming year?

Mr. JAENKE. For 1964 we believe, assuming this legislation were enacted and assuming the carryover levels we indicate here turn out to be exactly right, we would estimate that the price support payment in kind portion of the support level would probably be in the range of 10 to 15 cents in lieu of the 18 cents now, somewhat smaller. We would anticipate that the 20-percent diversion requirement would be continued for at least the 1964 crop.

Mr. QUIE. But if you had that authority in 1963 would you anticipate any different figure from the 18 cents? Have you had an opportunity to look at it since then?

Mr. JAENKE. We believe that 18 cents may be a little high with the other figures, total price support of \$1.20 to \$1.25. At that rate, that 18 cents may be a little high as a price support payment to the producers. I say a little high. I think it is, perhaps, 15 cents which might be more appropriate in the longer range period. Now if that authority had existed in 1963, in view of the need to get as many acres out and signed up into the program, to get a larger reduction, we may have gone ahead with the 18-cent figure, certainly no more than that.

Mr. QUIE. You say that if no acreage diversion program is in effect,

Mr. JAENKE. Yes, sir.

Mr. QUIE. And then you still would provide price supports for a portion of it, which would be a payment in kind. What kind of a payment in kind are you talking about for that period?

Mr. COFFMAN. Excuse me, Mr. Quie. That would not apply except where an acreage diversion program is in effect.

Mr. QUIE. That is on page 5.

Mr. JAENKE. Of the bill or the statement?

Mr. QUIE. Of your statement there. You state:

If no acreage diversion program is in effect, support may be restricted to those producers who do not exceed the feed grain base established for the farm. A portion of the price support would be made in the form of a payment in kind.

What do you mean by "payment in kind"?

Mr. COFFMAN. Those two provisions do not go together, though. As the bill is written, if no acreage diversion program were in effect the farmer could still be required to stay within the base in order to get price support, but the payment-in-kind portion of the price support is authorized under the bill only in those years in which there is an acreage diversion program.

Mr. QUIE. If there was no acreage diversion program he would only receive the price support to the loan?

Mr. COFFMAN. That is correct.

Mr. JAENKE. That is correct. There would be authority in H.R. 3874 to limit that eligibility for price supports to those who remained within their base. And the purpose is to avoid this: For instance, if you are out of balance in *x* year, 1965 or whatever it may be, and you have no more program, it would be a natural tendency for everybody to increase as a method of tempering this a little bit, so that there would not be a big jump in production and in stocks. Thus authority would be provided for that.

Mr. QUIE. In present law your diversion payments on the first 20 percent of acres diverted could be 50 percent of average production. You also agreed to a provision which would have permitted the farmer to choose to retire an additional 30 percent if he so desired. The Secretary determined he would permit the farmer to retire only an additional 20 percent. I understand that after the law was enacted the Budget Bureau felt that the program was simply too expensive. What made the program too expensive? We cut down, I believe, the authority on the diversion payments from the previous year, but we put in there the additional 18 cents direct payment on the normal production of the farmer who complied with the program. What made this so expensive that they had to change your determination not only on the amount of acreage permitted to be diverted but a drop in payment also.

Mr. JAENKE. First of all, let me indicate that the budgetary consideration was only one reason. There were others, too. This program, as you have indicated, was put together rather quickly in conference. I do not think anybody had an opportunity to study it very carefully, but what we found was that because of the 18 cent price support payment in kind, and because a producer lost this payment on any diversion beyond the first 20-percent diversion, the payment rate as between the first 20 percent and anything beyond 20 percent had to reflect this difference if there was to be any diversion beyond the minimum 20 percent. We felt there needed to be some difference in the payment rates to compensate for that additional diversion and for the loss of that 18 cents. We did not intend, and I regret that it was felt that we were not going along with what a lot of people thought was going to be the case.

The reason for the difference in the cost is simply this, under the 1962 type program where the loan level was at \$1.20 and where there was the authority, direct from the Congress for the Department to sell back payment-in-kind certificates or for the farmers to put them back on the market, in either case at any level below, so as to maintain a spread between the cooperator and the noncooperator, under this type of program, the cooperator, to get the benefit of the program, needed to put his grain under loan. Theoretically all of the cooperators would put their grain under loan. And when they did it, the difference between the \$1.20 support price and the market price was 18 cents, and theoretically the cost of the two programs, 1963 versus 1962 would be exactly the same. As a practical matter, all farmers did not actually put their grain under the loan for various reasons, some because they were livestock feeders, and some for other reasons. So less than one-half of those eligible for the loan actually came in.

In the case of 1963 program, a producer receives a payment-in-kind certificate on every bushel, on his entire normal yield times his planted acres. This is the difference between the two programs and therein lies the difference in the cost of the 1963-type program over the 1962-type program.

Mr. QUIE. I will yield to Mr. Beermann.

Mr. BEERMANN. I would like to bring this out: The loan rate was \$1.20. You say the market price was 18 cents less, or \$1. The reason for the lower price was because the Government was dumping all kinds of corn.

Mr. JAENKE. We were selling certificates into the marketplace to regain the payment in kind, according to the law, and according to the program.

Mr. BEERMANN. By the dumping action of this corn at \$1 a bushel on the market you helped to build up the livestock cattle supply in the market.

Mr. JAENKE. The basic concept, Congressman Beermann, of the program was that the payment-in-kind certificates which the cooperating producer earned would be marketed back either by the farmer or, if he requested it, by the Government, so that the effective market price would be something below \$1.20, the loan price; therefore, providing the spread and the advantage for participation. Without this, why would a person participate—why would he come into the program and lose the income on 20 or 40 percent of his acres if he were not going to get a higher price for participating than his neighbor, who did not? This is the basic concept of the program.

Mr. BEERMANN. By this the Department of Agriculture cut the price of grain down, selling it for 20 cents less than the support price.

Mr. JAENKE. The law told us to market those certificates when the producers asked us to market them, to gain sums to carry on the program. And whether we did it or the producers did it, the effect is there.

Mr. QUIE. I can see the reason why the farmer would see a great advantage to compliance even without the direct payment or the buy high, sell low provision of the 1961-62 law. He gets good crop insurance through the diversion payment and a guaranteed price for his crop through the loan. That is quite an advantage especially to the people who market their grain. The diversion payment could

be a substantial amount under the law, of around 50 percent of normal production. Especially the farmers whose normal production rate given them by the local ASC office was actually greater than the normal production this was appealing. They did not raise any fuss about it. They were specially benefited, that is, the diversion payment was of a special beneficial effect to them. But now, you administered the law by cutting the diversion payment from 50 percent down to 20 percent. You have cut the advantage to the complier. But then because of criticism you increased the price support from \$1.20 to \$1.25 which, in effect, gave the same benefits, did it not, to the complier and to the noncomplier—you went contrary to what you have been talking about the last few minutes.

Mr. JAENKE. There were other reasons, as I indicated—there were other factors concerned in this. One was the overall beneficial effect on the total livestock economy by the action of the Secretary in raising the price support to \$1.25 and the loan level from \$1.02 to \$1.07. Farm income will be improved in 1963 as a result of that nickel. This should tend to discourage further expansion in hogs and livestock.

Mr. QUIE. It was interesting to me to read the Secretary's rationale as compared to what a previous Secretary said in 1956, I think it was, when he provided a price support for noncompliance corn farmers because of his interest in the livestock economy and he got corn into nothing but a lot of trouble. I was concerned about what the Secretary did last fall when he increased the loan and decreased the diversion payment, which I considered was more benefit to the noncomplier and should not have been done, and you have used the rationale of asking for additional authority here under the new law.

Mr. JAENKE. May I say just one thing?

Mr. QUIE. Yes.

Mr. JAENKE. You indicated the similarity between the price-support announcement some years back on noncompliance corn and this one. I think I get your comparison here, but I would—

Mr. QUIE. The rationale.

Mr. JAENKE. The rationale. I would not want it to be misinterpreted that there is any price support under this program to the noncomplier as there was in that particular case.

Mr. QUIE. That is correct, except that we have been talking for 2 years as to the loan level that when the Secretary cannot sell below the loan level, it is indirectly a benefit to the noncomplier as compared to the complier. The Secretary not only increased the price support from \$1.20 to \$1.25, he increased the bottom figure from \$1.02 to \$1.07, thereby benefiting the noncomplier.

Mr. JAENKE. Yes, sir. This is the point I was mentioning to the Congressman here when he raised the question about the price. The 18-cent spread goes to the cooperator in the 1963 program; it assures him, whether the price of corn be 50 cents a bushel or \$1.50 a bushel, that he is still going to get 18 cents on his normal production, on his remaining acres. I think I pointed out that it guarantees an advantage to the cooperator.

Mr. QUIE. The benefit to the complier is the greatest with a diversion of only the minimum number of acres.

Mr. JAENKE. Yes.

Mr. QUIE. Even though you lowered the payment from 50 percent down to 20 percent, it is still true. It is still true that anybody who

diverts further than is required loses 18 cents a bushel on the corn that he would have produced on those acres.

I think that if we want the farmers to comply further than the initial 20 percent, this fault in the program should be corrected.

Mr. JAENKE. There was a ceiling of 50 percent in the law, so that the payment rates could not go beyond that for the 1963 year. I think that the 20-percent rate for the first 20 and the 50-percent rate for an additional 20 does just about enough to provide the necessary incentive for it.

There are other reasons. There is the opportunity of a guaranteed income despite what may happen because of weather conditions and there are other advantages to the complier beyond the 20 percent.

Mr. QUIE. You say that the program would ultimately save \$1,200 million because you would no longer have to store the 25 billion bushels that are no longer in CCC stocks. How long is ultimately? It kind of reminds me of the statement that you save more money by not smoking cigarettes the longer you live.

Mr. JAENKE. The comparison is based on how long would a bushel of grain that came in in 1961 or 1962 remain in the Government's hands before it could ultimately be moved. As I remember, in the case of the 1961 crop, a bushel of grain would have come in our hands and would have remained between 7 and 9 years. Now that the stocks are down after 1961 to somewhere around 70 million tons, there would be a lesser period, about 4 or 5 years.

As we get down to 45 to 50 million tons for carryover, then this would be much less; and therefore the ultimate saving from not putting grain in storage is less.

Mr. QUIE. This is corn. You would assume that it remained for the storable life of the corn?

Mr. JAENKE. No, we follow the accounting procedure of first in and first out. In our budgetary estimates this is used, too. As a matter of fact, this corn would normally be rotated after 3 or 4 years, so that the physical corn would not be there, but the expenses attributed to that bushel would be there.

Mr. QUIE. I see. Could you give us some figures that you can put in the record at this point in order that we can judge the proposed new program thereby. So far you have only indicated what costs would be in broad figures nationally.

I will give them to you. I think it would be helpful to have them. Could you give me the total payments to the producers by States, and then if you could break that down into the 1961-62 program, what were the payments for the initial 20-percent diversion and what were the payments for the additional diversion? And then after that, what you estimate to be not only the first and additional diversion, but also the additional payment—the direct payment of 18 cents to the producers. Give us the total number of farms that have a feed grain base by States, and the acres. I imagine that you have that.

Mr. JAENKE. We will look to the record to make sure that we have what you want.

Mr. Cox. I am not sure that we have these figures broken down by the first 20 percent and the like, the different rates, but we could give you a fairly good estimate, I think, if we do not have the figures available.

Mr. QUIE. It seems to me I have seen some estimates. I think it would be helpful, even though it is an estimate. Then also give me the numbers and percentages of farmers participating in the program by States, and then give us the realized losses of the Commodity Credit Corporation in the feed grain programs, 1961, 1962, and estimated 1963. And then the last one—I do not know whether you have it or not; it depends upon how you are administering the program—would you be able to tell at the end of the sign-up period how many of the compliers were farmers who complied in previous years and how many were new compliers?

Mr. JAENKE. No.

Mr. QUIE. You have no figures on those?

Mr. JAENKE. We can provide later on in the summer, through a questionnaire to the county offices, something as to their judgment. It would undoubtedly require a considerable amount of work to check all of the names, but we can get a judgment, something to the effect that they have 90 percent of the ones that were in the 1962 program, plus 25 percent more or 10 percent more of the others.

Mr. QUIE. Mr. Chairman, I would suggest that this be provided for the record, because I imagine we might get a better idea of how the feed grain farmers and the livestock farmers are complying with the program.

Mr. POAGE. Mr. Jaenke is going to provide the best information that he can.

(The information follows:)

TABLE 1.—Progress report of enrollment in the 1963 feed grain program as of Feb. 21, 1963¹

| State | All eligible feed grain farms | | Farms | | Base acreage | | Intended diversion | | Estimated diversion payments | |
|---------------|-------------------------------|---------------------|----------|---------------------------------|--------------------|------------------|-----------------------|--------------------|------------------------------|--------------------------|
| | Farms | 1963 base acreage 2 | Farms | | On enrolled farms | Average per farm | Portion of total base | On enrolled farms | | Portion of enrolled base |
| | | | Enrolled | Portion of total eligible farms | | | | | | |
| | Number | Thousands of acres | Number | Percent | Thousands of acres | Acres | Percent | Thousands of acres | Percent | Thousands of dollars |
| Alabama | 112,202 | 2,261.0 | 16,540 | 14.7 | 463.3 | 28 | 20.5 | 276.5 | 59.7 | 4,259.9 |
| Alaska 3 | | | | | | | | | | |
| Arizona | 3,054 | 374.4 | 319 | 10.4 | 55.8 | 175 | 14.9 | 22.2 | 39.7 | 556.8 |
| Arkansas | 43,798 | 599.5 | 3,209 | 7.3 | 66.9 | 21 | 11.2 | 47.2 | 70.5 | 882.4 |
| California | 12,514 | 2,444.1 | 938 | 7.5 | 224.4 | 239 | 9.2 | 86.2 | 38.4 | 1,670.0 |
| Colorado | 26,757 | 2,441.7 | 1,305 | 4.9 | 159.2 | 122 | 6.5 | 58.5 | 36.7 | 722.1 |
| Connecticut | 2,257 | 34.8 | 36 | 1.6 | 0.6 | 17 | 1.7 | 0.5 | 75.6 | 18.9 |
| Delaware | 5,227 | 182.2 | 448 | 8.6 | 21.2 | 47 | 11.6 | 10.3 | 48.5 | 323.1 |
| Florida | 16,732 | 718.9 | 3,187 | 19.0 | 186.0 | 58 | 25.9 | 87.5 | 47.0 | 1,302.4 |
| Georgia | 93,469 | 3,190.1 | 12,654 | 13.5 | 621.1 | 49 | 19.5 | 296.3 | 47.7 | 4,511.0 |
| Hawaii 3 | | | | | | | | | | |
| Idaho | 22,436 | 818.3 | 670 | 3.0 | 44.4 | 66 | 5.4 | 19.0 | 42.7 | 317.9 |
| Illinois | 211,716 | 10,981.4 | 24,680 | 11.7 | 1,688.1 | 68 | 15.4 | 486.1 | 28.8 | 11,480.1 |
| Indiana | 162,137 | 5,744.6 | 18,693 | 11.5 | 801.0 | 43 | 13.9 | 349.6 | 43.6 | 10,038.9 |
| Iowa | 194,690 | 13,517.0 | 30,616 | 15.7 | 2,466.1 | 81 | 18.2 | 663.2 | 26.9 | 13,426.0 |
| Kansas | 133,958 | 9,467.2 | 12,279 | 9.2 | 821.3 | 67 | 8.7 | 300.7 | 36.6 | 4,478.7 |
| Kentucky | 127,476 | 1,998.2 | 18,193 | 14.3 | 388.8 | 21 | 19.5 | 259.4 | 66.7 | 6,187.7 |
| Louisiana | 34,968 | 499.4 | 3,590 | 10.3 | 84.9 | 24 | 17.0 | 48.6 | 57.2 | 953.7 |
| Maine | 944 | 10.6 | 38 | 4.0 | 0.4 | 10 | 3.5 | 0.3 | 90.6 | 10.8 |
| Maryland | 22,904 | 620.1 | 1,117 | 4.9 | 40.8 | 36 | 6.6 | 21.4 | 52.6 | 638.8 |
| Massachusetts | 1,410 | 21.5 | 5 | 0.4 | 0.1 | 15 | 0.3 | 0.1 | 89.0 | 2.8 |
| Michigan | 106,665 | 2,342.2 | 9,378 | 8.8 | 262.0 | 28 | 11.2 | 155.0 | 59.2 | 4,604.6 |
| Minnesota | 144,349 | 8,575.2 | 19,884 | 13.8 | 1,512.7 | 76 | 17.6 | 450.2 | 29.8 | 8,797.6 |
| Mississippi | 88,813 | 1,395.2 | 12,057 | 13.6 | 279.6 | 23 | 20.0 | 175.3 | 62.7 | 3,119.9 |
| Missouri | 152,937 | 5,912.3 | 28,314 | 18.5 | 1,397.5 | 49 | 23.6 | 642.6 | 46.0 | 15,548.6 |
| Montana | 20,567 | 2,208.4 | 704 | 3.4 | 88.8 | 126 | 4.0 | 27.0 | 30.4 | 237.8 |
| Nebraska | 108,438 | 9,880.7 | 15,561 | 14.4 | 1,491.9 | 96 | 15.1 | 407.8 | 27.3 | 6,500.0 |
| Nevada | 562 | 20.9 | 11 | 2.0 | 0.6 | 53 | 2.8 | 0.3 | 50.9 | 6.0 |
| New Hampshire | 822 | 9.9 | | | | | | | | |
| New Jersey | 6,777 | 201.6 | 789 | 11.6 | 27.3 | 35 | 13.5 | 15.5 | 56.8 | 560.4 |
| New Mexico | 6,996 | 850.3 | 399 | 5.7 | 40.8 | 102 | 4.8 | 15.3 | 37.6 | 224.9 |

| | | | | | | | | | | |
|-----------------------------------|-----------|-----------|---------|------|----------|-----|------|---------|------|-----------|
| New York..... | 46,270 | 756.8 | 6,027 | 13.0 | 116.2 | 19 | 15.4 | 75.0 | 64.5 | 2,369.0 |
| North Carolina..... | 175,089 | 2,278.6 | 24,832 | 14.2 | 435.6 | 18 | 19.1 | 275.6 | 63.3 | 7,243.5 |
| North Dakota..... | 65,418 | 6,121.1 | 5,552 | 8.5 | 599.6 | 108 | 9.8 | 175.0 | 29.4 | 1,250.9 |
| Ohio..... | 161,161 | 3,981.1 | 10,926 | 6.8 | 320.1 | 29 | 8.0 | 173.2 | 54.1 | 5,600.5 |
| Oklahoma..... | 75,720 | 3,113.2 | 8,056 | 10.6 | 336.5 | 42 | 10.8 | 181.9 | 54.1 | 2,386.4 |
| Oregon..... | 12,719 | 632.4 | 597 | 4.8 | 28.8 | 48 | 4.5 | 14.3 | 49.6 | 259.2 |
| Pennsylvania..... | 93,489 | 1,500.7 | 4,597 | 4.9 | 86.4 | 19 | 5.8 | 60.1 | 69.5 | 2,143.6 |
| Puerto Rico ¹ | 195 | 3.7 | 1 | 0.5 | (4) | 50 | 1.4 | (4) | 50.0 | 0.8 |
| Rhode Island..... | 71,572 | 1,085.0 | 10,695 | 14.9 | 243.5 | 23 | 22.4 | 145.4 | 59.7 | 2,511.3 |
| South Carolina..... | 63,928 | 5,840.1 | 6,735 | 10.5 | 686.9 | 102 | 11.8 | 197.0 | 28.7 | 1,867.5 |
| Tennessee..... | 118,632 | 1,800.3 | 20,898 | 17.6 | 417.4 | 20 | 23.2 | 286.9 | 68.7 | 6,412.7 |
| Texas..... | 192,449 | 12,295.5 | 26,754 | 13.9 | 2,083.8 | 78 | 16.9 | 796.7 | 38.2 | 11,137.7 |
| Utah..... | 12,357 | 249.3 | 577 | 4.7 | 17.5 | 30 | 7.0 | 10.1 | 57.5 | 197.0 |
| Vermont..... | 3,692 | 50.6 | 31 | 0.8 | 0.4 | 12 | 0.7 | 0.3 | 79.6 | 11.0 |
| Virginia..... | 75,473 | 926.5 | 6,008 | 8.0 | 99.2 | 17 | 10.7 | 61.6 | 62.1 | 1,669.1 |
| Virgin Islands ¹ | 11,318 | 880.6 | 509 | 4.5 | 27.1 | 53 | 3.1 | 12.4 | 45.7 | 345.6 |
| Washington..... | 16,139 | 118.3 | 974 | 6.0 | 9.8 | 10 | 8.3 | 7.6 | 77.5 | 250.4 |
| West Virginia..... | 125,651 | 3,189.7 | 15,143 | 12.1 | 536.3 | 35 | 16.8 | 261.4 | 48.7 | 7,840.7 |
| Wisconsin..... | 4,581 | 223.9 | 236 | 5.2 | 17.0 | 72 | 7.6 | 7.6 | 44.8 | 132.0 |
| Wyoming..... | | | | | | | | | | |
| U.S. total..... | 3,191,428 | 132,371.1 | 384,762 | 12.1 | 19,297.7 | 50 | 14.6 | 7,665.7 | 39.7 | 155,010.7 |

¹ Data is based on preliminary reports from State and county ASCS offices and are subject to revision.

² Data differs from the 1962 base because of the inclusion of base acreages covered by conservation reserve program contracts, and because of adjustments and revisions in individual farm crop histories.

³ Not applicable.

⁴ 50 acres or less.

TABLE 2.—*Feed grain farms any extent of participation—1962 feed grain program—preliminary*¹

| | Total number of farms, 1962 | | Total number of farms signing to participate, 1962 | | Portion of total corn and/or grain farms sign- ing to partic- ipate | Portion of total barley farms sign- ing to partic- ipate |
|---------------------|---------------------------------|---------|--|---------|--|--|
| | Corn and/or grain sorghum | Barley | Corn and/or grain sorghum | Barley | | |
| | | | | | Percent | Percent |
| Maine..... | 88 | | 56 | | 63.6 | |
| New Hampshire..... | 970 | | | | | |
| Vermont..... | 3,888 | | 96 | | 2.5 | |
| Massachusetts..... | 1,000 | | 19 | | 1.9 | |
| Rhode Island..... | 290 | | 2 | | .7 | |
| Connecticut..... | 1,887 | | 154 | | 8.2 | |
| New York..... | 41,199 | 3,239 | 16,897 | 1,095 | 41.0 | 33.8 |
| New Jersey..... | 5,730 | 1,922 | 2,365 | 252 | 41.3 | 13.1 |
| Pennsylvania..... | 85,838 | 22,630 | 18,341 | 1,214 | 21.4 | 5.4 |
| Ohio..... | 153,373 | 7,313 | 57,570 | 448 | 37.5 | 6.1 |
| Indiana..... | 156,118 | 7,189 | 66,642 | 346 | 42.7 | 4.8 |
| Illinois..... | 207,595 | 8,216 | 97,365 | 376 | 46.9 | 4.6 |
| Michigan..... | 94,321 | 10,097 | 39,897 | 1,424 | 42.3 | 14.1 |
| Wisconsin..... | 117,862 | 2,504 | 36,334 | 197 | 30.8 | 7.9 |
| Minnesota..... | 126,868 | 21,615 | 65,253 | 11,315 | 51.4 | 52.3 |
| Iowa..... | 189,820 | 1,421 | 114,178 | 108 | 60.2 | 7.6 |
| Missouri..... | 141,926 | 17,712 | 82,717 | 2,896 | 58.3 | 16.4 |
| North Dakota..... | 27,497 | 53,955 | 14,642 | 24,665 | 53.2 | 45.7 |
| South Dakota..... | 61,086 | 17,306 | 26,028 | 5,068 | 42.6 | 29.3 |
| Nebraska..... | 105,658 | 14,505 | 71,762 | 5,146 | 67.9 | 35.5 |
| Kansas..... | 122,422 | 41,119 | 72,476 | 13,074 | 59.2 | 31.8 |
| Delaware..... | 4,993 | 975 | 1,646 | 111 | 33.0 | 11.4 |
| Maryland..... | 21,179 | 7,002 | 3,998 | 434 | 18.9 | 6.2 |
| Virginia..... | 69,624 | 13,285 | 19,989 | 2,725 | 28.7 | 20.5 |
| West Virginia..... | 7,868 | 976 | 1,652 | 47 | 21.0 | 4.8 |
| North Carolina..... | 148,134 | 10,554 | 63,421 | 3,117 | 42.8 | 29.5 |
| South Carolina..... | 60,655 | 3,027 | 23,643 | 1,372 | 39.0 | 45.3 |
| Georgia..... | 72,984 | 448 | 25,182 | 179 | 34.5 | 40.0 |
| Florida..... | 15,242 | | 6,054 | | 39.7 | |
| Kentucky..... | 96,993 | 7,219 | 43,982 | 1,072 | 45.3 | 14.8 |
| Tennessee..... | 108,641 | 5,313 | 45,262 | 1,069 | 41.7 | 20.1 |
| Alabama..... | 107,815 | 218 | 37,854 | 33 | 35.1 | 15.1 |
| Mississippi..... | 83,861 | 96 | 25,950 | 30 | 30.9 | 31.2 |
| Arkansas..... | 27,581 | 845 | 6,857 | 156 | 24.9 | 18.5 |
| Louisiana..... | 30,968 | 1 | 8,480 | 1 | 27.4 | 100.0 |
| Oklahoma..... | 46,427 | 29,327 | 21,345 | 10,109 | 46.0 | 34.5 |
| Texas..... | 163,912 | 14,571 | 84,692 | 6,093 | 51.7 | 41.8 |
| Montana..... | 2,914 | 18,931 | 1,233 | 6,196 | 42.3 | 32.7 |
| Idaho..... | 5,913 | 17,130 | 875 | 3,027 | 14.8 | 17.7 |
| Wyoming..... | 2,099 | 3,587 | 515 | 333 | 24.5 | 9.3 |
| Colorado..... | 17,395 | 15,023 | 7,772 | 4,514 | 44.7 | 30.0 |
| New Mexico..... | 5,176 | 1,328 | 2,480 | 417 | 47.9 | 31.4 |
| Arizona..... | 2,208 | 1,646 | 905 | 688 | 41.0 | 41.8 |
| Utah..... | 3,675 | 8,564 | 593 | 1,431 | 16.1 | 16.7 |
| Nevada..... | 164 | 379 | 7 | 34 | 4.3 | 9.0 |
| Washington..... | 3,046 | 8,298 | 1,380 | 2,642 | 45.3 | 31.8 |
| Oregon..... | 2,768 | 10,373 | 1,037 | 3,252 | 37.5 | 31.4 |
| California..... | 6,240 | 8,426 | 2,209 | 3,088 | 35.4 | 36.6 |
| U.S. total..... | 2,763,911 | 418,358 | 1,221,807 | 119,794 | 44.2 | 28.6 |

¹ Based on State and county ASCS office reports compiled through Feb. 25, 1963, and subject to revision on the basis of final reports received from State and county offices.

TABLE 3.—Total base acreage on all feed grain farms and extent of participation—
1962 feed grain program—preliminary¹

| State | Base acreages | | | Acreage diverted for payment on participating farms | |
|---------------------|---|------------------------|---|---|--|
| | On all feed grain farms (corn, grain sorghums, barley) ² | On participating farms | | Amount | Portion of base acreage on participating farms diverted for payment (col. 5 ÷ col. 3) ³ |
| | | Amount ² | Portion of total base acreage on participating farms (col. 3 ÷ col. 2) ³ | | |
| (1) | (2) | (3) | (4) | (5) | (6) |
| | Thousands of acres | Thousands of acres | Percent | Thousands of acres | Percent |
| Maine..... | 10.0 | 0.8 | 8.0 | 0.5 | 6.2 |
| New Hampshire..... | 10.0 | 0 | 0 | 0 | 0 |
| Vermont..... | 48.0 | 1.6 | 3.3 | 1.2 | 75.0 |
| Massachusetts..... | 26.0 | .4 | 1.5 | .3 | 75.0 |
| Rhode Island..... | 5.0 | .1 | 1.3 | (4) | 40.0 |
| Connecticut..... | 34.0 | 3.2 | 9.4 | 1.8 | 56.2 |
| New York..... | 702.8 | 284.6 | 40.5 | 177.5 | 62.4 |
| New Jersey..... | 186.1 | 81.9 | 44.0 | 48.6 | 59.3 |
| Pennsylvania..... | 1,419.0 | 295.7 | 20.8 | 198.2 | 67.0 |
| Ohio..... | 3,885.6 | 1,613.6 | 41.5 | 867.2 | 63.7 |
| Indiana..... | 5,628.9 | 2,800.1 | 49.7 | 1,308.2 | 46.7 |
| Illinois..... | 10,848.2 | 5,917.4 | 54.5 | 2,043.0 | 34.5 |
| Michigan..... | 2,215.4 | 1,008.2 | 45.5 | 598.2 | 59.3 |
| Wisconsin..... | 3,043.6 | 1,689.3 | 55.5 | 610.7 | 36.2 |
| Minnesota..... | 8,258.5 | 4,778.9 | 57.9 | 1,873.7 | 39.2 |
| Iowa..... | 13,310.2 | 8,951.9 | 67.3 | 3,119.9 | 34.9 |
| Missouri..... | 5,633.6 | 3,823.7 | 67.9 | 1,897.8 | 49.6 |
| North Dakota..... | 5,590.8 | 2,685.8 | 48.0 | 1,318.0 | 49.1 |
| South Dakota..... | 5,402.7 | 2,466.4 | 45.7 | 873.0 | 35.4 |
| Nebraska..... | 9,536.0 | 6,892.5 | 72.3 | 2,296.5 | 33.3 |
| Kansas..... | 8,741.2 | 5,092.1 | 58.3 | 1,987.9 | 39.0 |
| Delaware..... | 174.2 | 68.5 | 39.3 | 36.1 | 52.7 |
| Maryland..... | 603.0 | 145.1 | 24.1 | 78.3 | 54.0 |
| Virginia..... | 905.0 | 326.0 | 36.0 | 201.6 | 61.8 |
| West Virginia..... | 139.4 | 24.1 | 17.3 | 16.1 | 66.8 |
| North Carolina..... | 2,191.3 | 1,159.1 | 52.9 | 775.4 | 66.9 |
| South Carolina..... | 926.6 | 509.3 | 55.0 | 297.6 | 58.4 |
| Georgia..... | 2,801.7 | 1,216.3 | 43.4 | 571.7 | 47.0 |
| Florida..... | 606.7 | 338.4 | 55.8 | 161.5 | 47.7 |
| Kentucky..... | 1,878.7 | 938.0 | 49.9 | 594.7 | 63.4 |
| Tennessee..... | 1,653.5 | 875.7 | 53.0 | 583.5 | 66.6 |
| Alabama..... | 2,096.8 | 983.2 | 46.9 | 565.7 | 57.5 |
| Mississippi..... | 1,299.9 | 622.6 | 47.9 | 352.6 | 56.6 |
| Arkansas..... | 470.3 | 183.8 | 39.1 | 113.3 | 61.6 |
| Louisiana..... | 445.9 | 201.1 | 45.1 | 116.7 | 58.0 |
| Oklahoma..... | 2,539.5 | 1,075.2 | 42.3 | 577.9 | 53.7 |
| Texas..... | 10,762.2 | 7,556.1 | 70.2 | 2,984.8 | 39.5 |
| Montana..... | 2,057.4 | 386.1 | 18.8 | 144.9 | 37.5 |
| Idaho..... | 711.7 | 213.5 | 30.0 | 87.8 | 41.1 |
| Wyoming..... | 196.0 | 47.9 | 24.4 | 21.4 | 44.7 |
| Colorado..... | 1,927.0 | 933.3 | 48.4 | 383.1 | 41.0 |
| New Mexico..... | 463.5 | 317.5 | 68.5 | 123.6 | 38.9 |
| Arizona..... | 369.1 | 209.1 | 56.7 | 86.7 | 41.5 |
| Utah..... | 206.5 | 55.5 | 26.9 | 29.7 | 53.5 |
| Nevada..... | 18.7 | 1.4 | 7.5 | 0.8 | 57.1 |
| Washington..... | 815.3 | 201.9 | 24.8 | 76.6 | 37.9 |
| Oregon..... | 584.6 | 240.0 | 41.1 | 95.1 | 39.6 |
| California..... | 1,960.3 | 967.9 | 49.4 | 346.0 | 35.7 |
| U.S. total..... | 123,340.4 | 68,184.8 | 55.3 | 28,645.4 | 42.0 |

¹ Based on State and county ASCS office reports compiled through Feb. 25, 1963, and subject to revision on the basis of final reports received from State and county offices.

² 1959-60 average acreage of field corn planted for all purposes plus sweet corn utilized as silage and of grain sorghum planted for harvest as grain, silage or fodder, both adjusted, where necessary, for abnormal factor affecting plantings.

³ Computed on rounded data.

⁴ 50 acres or less.

TABLE 4.—*Payments under 1961 and 1962 feed grain programs cumulative from inception through Jan. 31, 1963*¹

| State | 1961 | 1962 |
|---------------------|----------------|----------------|
| Maine..... | \$15,192.81 | \$20,128.18 |
| New Hampshire..... | | |
| Vermont..... | 50,175.68 | 45,926.05 |
| Massachusetts..... | 7,195.14 | 12,753.21 |
| Rhode Island..... | 929.14 | 1,481.24 |
| Connecticut..... | 47,968.04 | 84,587.90 |
| New York..... | 6,682,800.36 | 6,547,078.96 |
| New Jersey..... | 1,895,972.70 | 2,356,405.53 |
| Pennsylvania..... | 6,821,336.60 | 8,149,306.66 |
| Ohio..... | 42,674,824.43 | 36,603,994.99 |
| Indiana..... | 54,742,969.80 | 53,706,966.78 |
| Illinois..... | 87,817,582.63 | 87,505,791.53 |
| Michigan..... | 18,320,677.52 | 21,259,519.17 |
| Wisconsin..... | 23,462,051.07 | 25,835,092.65 |
| Minnesota..... | 46,213,009.54 | 53,970,447.50 |
| Iowa..... | 107,620,556.78 | 121,569,584.71 |
| Missouri..... | 69,328,457.38 | 64,850,552.21 |
| North Dakota..... | 5,507,579.19 | 13,589,872.53 |
| South Dakota..... | 15,775,983.08 | 15,608,599.32 |
| Nebraska..... | 66,788,199.59 | 68,025,510.09 |
| Kansas..... | 55,209,166.28 | 44,164,064.60 |
| Delaware..... | 1,511,602.28 | 1,479,352.31 |
| Maryland..... | 3,127,734.51 | 3,035,486.48 |
| Virginia..... | 4,373,162.98 | 6,293,070.89 |
| West Virginia..... | 407,098.21 | 748,375.98 |
| North Carolina..... | 16,231,578.73 | 20,828,623.99 |
| South Carolina..... | 4,198,903.27 | 6,009,777.87 |
| Georgia..... | 6,574,272.08 | 11,941,776.63 |
| Florida..... | 2,466,460.80 | 3,227,494.06 |
| Kentucky..... | 17,723,194.20 | 18,204,191.76 |
| Tennessee..... | 11,867,721.84 | 14,822,371.68 |
| Alabama..... | 7,649,355.90 | 10,338,427.09 |
| Mississippi..... | 5,285,687.01 | 7,706,405.34 |
| Arkansas..... | 2,212,219.46 | 2,788,502.10 |
| Louisiana..... | 2,170,378.73 | 3,105,747.03 |
| Oklahoma..... | 8,782,070.88 | 9,653,248.40 |
| Texas..... | 59,601,429.43 | 64,569,628.14 |
| Montana..... | 601,921.97 | 1,727,066.88 |
| Idaho..... | 337,262.98 | 1,697,980.91 |
| Wyoming..... | 378,164.83 | 516,190.34 |
| Colorado..... | 6,327,776.98 | 6,755,320.29 |
| New Mexico..... | 2,635,342.22 | 2,838,522.31 |
| Arizona..... | 2,192,877.84 | 3,230,211.20 |
| Utah..... | 355,815.37 | 694,427.68 |
| Nevada..... | 25,143.44 | 15,873.04 |
| Washington..... | 1,058,388.46 | 2,931,744.15 |
| Oregon..... | 822,942.54 | 2,361,277.57 |
| California..... | 4,397,794.42 | 10,091,095.41 |
| U.S. total..... | 782,198,929.12 | 841,519,853.34 |

¹ Based on data compiled by Fiscal Division, ASCS, Feb. 26, 1963, and subject to revision after final reports are obtained from State and county ASCS offices.

TABLE 5.—*Extent of farms participating in the program*¹—1961 feed grain program

| State | Indicated total number of corn and/or grain sorghum farms | Number of farms signed to participate | Number of farms participating in program | Percent of total number of farms participating |
|---------------------|--|--|---|---|
| | (1) | (2) | (3) | (4) |
| Maine..... | 946 | 44 | 39 | 4.1 |
| New Hampshire..... | 970 | | | |
| Vermont..... | 3,880 | 90 | 85 | 2.2 |
| Massachusetts..... | 1,911 | 13 | 12 | .6 |
| Rhode Island..... | 291 | 1 | 1 | .9 |
| Connecticut..... | 2,325 | 92 | 90 | 3.3 |
| New York..... | 41,206 | 16,168 | 15,036 | 36.5 |
| New Jersey..... | 6,447 | 1,941 | 1,922 | 29.8 |
| Pennsylvania..... | 81,526 | 14,928 | 14,565 | 17.9 |
| Ohio..... | 157,039 | 60,990 | 59,817 | 38.1 |
| Indiana..... | 156,730 | 66,579 | 65,683 | 41.9 |
| Illinois..... | 208,445 | 104,968 | 100,856 | 48.4 |
| Michigan..... | 96,664 | 34,400 | 33,806 | 35.0 |
| Wisconsin..... | 120,565 | 35,555 | 32,669 | 27.1 |
| Minnesota..... | 126,995 | 64,231 | 63,134 | 49.7 |
| Iowa..... | 191,603 | 109,030 | 107,048 | 55.9 |
| Missouri..... | 148,999 | 82,352 | 81,253 | 54. |
| North Dakota..... | 27,474 | 20,160 | 19,853 | 72.3 |
| South Dakota..... | 61,376 | 30,145 | 29,649 | 48.3 |
| Nebraska..... | 106,827 | 76,370 | 75,473 | 70.6 |
| Kansas..... | 121,606 | 84,251 | 82,936 | 68.2 |
| Delaware..... | 5,077 | 1,807 | 1,783 | 35.1 |
| Maryland..... | 21,714 | 4,151 | 4,107 | 18.9 |
| Virginia..... | 66,471 | 15,257 | 14,756 | 22.2 |
| West Virginia..... | 13,899 | 897 | 880 | 6.3 |
| North Carolina..... | 169,422 | 53,700 | 52,899 | 31.2 |
| South Carolina..... | 67,279 | 18,066 | 17,554 | 26.1 |
| Georgia..... | 83,032 | 14,143 | 13,727 | 16.5 |
| Florida..... | 16,177 | 4,615 | 4,529 | 28.0 |
| Kentucky..... | 114,963 | 40,500 | 40,005 | 34.8 |
| Tennessee..... | 106,576 | 36,255 | 35,675 | 33.5 |
| Alabama..... | 108,263 | 29,816 | 29,424 | 27.2 |
| Mississippi..... | 85,573 | 18,197 | 17,763 | 20.8 |
| Arkansas..... | 33,340 | 5,603 | 5,459 | 16.4 |
| Louisiana..... | 33,045 | 5,341 | 5,213 | 15.8 |
| Oklahoma..... | 50,838 | 22,912 | 22,212 | 43.7 |
| Texas..... | 168,357 | 80,384 | 77,334 | 45.9 |
| Montana..... | 2,966 | 1,668 | 1,654 | 55.8 |
| Idaho..... | 6,486 | 501 | 483 | 7.4 |
| Wyoming..... | 2,150 | 527 | 516 | 24.0 |
| Colorado..... | 17,758 | 8,057 | 7,880 | 44.4 |
| New Mexico..... | 5,495 | 2,363 | 2,320 | 42.2 |
| Arizona..... | 2,281 | 1,225 | 1,196 | 52.4 |
| Utah..... | 3,731 | 706 | 690 | 18.5 |
| Nevada..... | 164 | 45 | 44 | 26.8 |
| Washington..... | 3,289 | 1,132 | 1,097 | 33.4 |
| Oregon..... | 2,806 | 1,123 | 1,014 | 39.3 |
| California..... | 5,969 | 2,824 | 2,738 | 45.9 |
| U.S. total..... | 2,860,946 | 1,174,123 | 1,146,969 | 40.1 |

¹ Based on data reported to Grain Division by Agricultural Soil Conservation Service State offices.

TABLE 6.—Total base acres of corn and grain sorghums and base acres of corn and grain sorghum on farms participating in the program ¹—1961 feed grain program

| State | Corn | | | Grain sorghums | | |
|---------------------|--|--|--|--|--|--|
| | Total base acres on all farms (thousand acres) | Base acres on participating farms (thousand acres) | Percent of total base on participating farms (percent) | Total base acres on all farms (thousand acres) | Base acres on participating farms (thousand acres) | Percent of total base on participating farms (percent) |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Maine..... | 11.0 | 0.5 | 4.5 | | | |
| New Hampshire..... | 11.5 | | | | | |
| Vermont..... | 59.5 | 1.4 | 2.4 | | | |
| Massachusetts..... | 31.5 | .2 | 0.6 | | | |
| Rhode Island..... | 6.0 | (²) | | | | |
| Connecticut..... | 41.0 | 1.9 | 4.6 | | | |
| New York..... | 662.8 | 295.1 | 44.5 | | | |
| New Jersey..... | 188.2 | 67.9 | 36.1 | | | |
| Pennsylvania..... | 1,286.7 | 264.9 | 20.6 | 11.4 | 1.2 | 10.1 |
| Ohio..... | 4,115.4 | 1,947.8 | 47.3 | 1.2 | .5 | 41.7 |
| Indiana..... | 5,481.2 | 2,967.7 | 54.1 | 18.7 | 14.3 | 76.5 |
| Illinois..... | 10,823.0 | 6,203.1 | 57.3 | 25.1 | 16.1 | 64.1 |
| Michigan..... | 2,315.4 | 961.8 | 41.5 | (²) | (²) | |
| Wisconsin..... | 2,989.5 | 1,161.4 | 38.8 | .1 | .1 | 100.0 |
| Minnesota..... | 7,131.2 | 4,331.5 | 60.7 | 4.4 | 2.8 | 63.6 |
| Iowa..... | 13,118.3 | 8,433.3 | 64.3 | 65.7 | 52.8 | 80.4 |
| Missouri..... | 4,791.8 | 3,511.2 | 73.3 | 594.9 | 451.8 | 75.9 |
| North Dakota..... | 1,389.2 | 5,901.5 | 64.9 | .5 | .5 | 100.0 |
| South Dakota..... | 4,497.4 | 2,476.7 | 55.1 | 225.2 | 145.4 | 64.6 |
| Nebraska..... | 7,248.4 | 5,564.1 | 76.8 | 1,824.4 | 1,722.4 | 94.4 |
| Kansas..... | 2,142.4 | 1,566.2 | 73.1 | 5,709.8 | 4,718.6 | 82.6 |
| Delaware..... | 157.2 | 74.2 | 47.2 | (²) | (²) | |
| Maryland..... | 522.7 | 160.9 | 30.8 | .9 | .1 | 11.1 |
| Virginia..... | 814.1 | 231.0 | 28.4 | 18.5 | 4.4 | 23.8 |
| West Virginia..... | 147.9 | 14.9 | 10.1 | .2 | (²) | |
| North Carolina..... | 2,054.4 | 932.5 | 45.4 | 120.4 | 43.9 | 36.5 |
| South Carolina..... | 967.1 | 388.2 | 40.1 | 51.1 | 10.5 | 20.5 |
| Georgia..... | 2,880.0 | 737.3 | 25.6 | 69.8 | 19.9 | 28.5 |
| Florida..... | 632.3 | 272.1 | 43.0 | 6.9 | 1.9 | 27.5 |
| Kentucky..... | 1,860.9 | 950.5 | 51.1 | 27.7 | 17.1 | 61.7 |
| Tennessee..... | 1,663.4 | 721.4 | 43.4 | 61.6 | 30.6 | 49.7 |
| Alabama..... | 2,024.9 | 782.8 | 38.7 | 35.2 | 16.1 | 45.7 |
| Mississippi..... | 1,386.4 | 433.3 | 31.3 | 56.9 | 26.3 | 46.2 |
| Arkansas..... | 398.2 | 122.2 | 30.7 | 98.5 | 27.8 | 28.2 |
| Louisiana..... | 550.0 | 133.8 | 24.3 | 16.8 | 6.1 | 36.3 |
| Oklahoma..... | 276.7 | 96.6 | 34.9 | 1,478.6 | 924.3 | 62.5 |
| Texas..... | 1,514.2 | 770.6 | 50.9 | 8,416.3 | 6,141.4 | 73.0 |
| Montana..... | 110.4 | 82.9 | 75.1 | | | |
| Idaho..... | 81.0 | 11.2 | 13.8 | 2.7 | .2 | 7.4 |
| Wyoming..... | 62.5 | 25.6 | 41.0 | 3.7 | .9 | 24.3 |
| Colorado..... | 481.4 | 247.5 | 51.4 | 732.9 | 597.7 | 81.6 |
| New Mexico..... | 46.0 | 10.2 | 22.2 | 375.2 | 283.9 | 75.7 |
| Arizona..... | 33.6 | 4.3 | 12.8 | 191.2 | 125.2 | 65.5 |
| Utah..... | 50.8 | 11.0 | 21.7 | .8 | .4 | 50.0 |
| Nevada..... | 4.5 | 1.2 | 26.7 | .8 | .1 | 12.5 |
| Washington..... | 87.2 | 34.9 | 40.0 | 9.9 | 4.9 | 49.5 |
| Oregon..... | 65.0 | 25.9 | 39.8 | .5 | .3 | 60.0 |
| California..... | 141.6 | 79.3 | 56.0 | 277.8 | 180.2 | 64.9 |
| U.S. total..... | 87,355.3 | 48,014.3 | 55.0 | 20,536.3 | 15,590.3 | 75.9 |

¹ Based on data reported to grain division by ASCS State offices.² Less than 50 acres.

TABLE 7.—*Acres of corn and grain sorghums diverted for payment—1961 feed grain program*¹

[In thousands of acres]

| State | Corn (final acres diverted) | Grain sorghums (final acres diverted) | Total corn and grain sorghums (final acres diverted) | State | Corn (final acres diverted) | Grain sorghums (final acres diverted) | Total corn and grain sorghums (final acres diverted) |
|---------------------|--------------------------------------|---|--|------------------------------|--------------------------------------|---|--|
| | (1) | (2) | (3) | | (1) | (2) | (3) |
| Maine..... | 0.3 | ----- | 0.3 | South Carolina..... | 194.9 | 5.0 | 199.9 |
| New Hampshire..... | ----- | ----- | ----- | Georgia..... | 302.1 | 8.7 | 310.8 |
| Vermont..... | .9 | ----- | .9 | Florida..... | 115.9 | 1.5 | 117.4 |
| Massachusetts..... | .2 | ----- | .2 | Kentucky..... | 560.6 | 6.6 | 567.2 |
| Rhode Island..... | (²) | ----- | (²) | Tennessee..... | 432.2 | 16.4 | 448.6 |
| Connecticut..... | 1.0 | ----- | 1.0 | Alabama..... | 407.2 | 6.5 | 413.7 |
| New York..... | 172.5 | ----- | 172.5 | Mississippi..... | 220.5 | 10.9 | 231.4 |
| New Jersey..... | 37.4 | ----- | 37.4 | Arkansas..... | 75.5 | 11.7 | 87.2 |
| Pennsylvania..... | 158.8 | 0.8 | 159.6 | Louisiana..... | 72.3 | 2.9 | 75.2 |
| Ohio..... | 995.2 | .2 | 995.4 | Oklahoma..... | 59.4 | 445.5 | 504.9 |
| Indiana..... | 1,321.2 | 5.3 | 1,326.5 | Texas..... | 320.0 | 2,292.5 | 2,612.5 |
| Illinois..... | 2,097.2 | 7.9 | 2,105.1 | Montana..... | 39.9 | ----- | 39.9 |
| Michigan..... | 531.5 | (²) | 531.5 | Idaho..... | 6.7 | (²) | 6.7 |
| Wisconsin..... | 549.1 | (²) | 549.1 | Wyoming..... | 11.8 | .5 | 12.3 |
| Minnesota..... | 1,518.5 | .8 | 1,519.3 | Colorado..... | 106.3 | 225.9 | 332.2 |
| Iowa..... | 2,760.2 | 24.2 | 2,784.4 | New Mexico..... | 5.4 | 100.7 | 106.1 |
| Missouri..... | 1,722.2 | 208.3 | 1,930.5 | Arizona..... | 1.7 | 54.7 | 56.4 |
| North Dakota..... | 406.4 | .2 | 406.6 | Utah..... | 7.2 | .2 | 7.4 |
| South Dakota..... | 818.5 | 69.3 | 887.8 | Nevada..... | .8 | (²) | .8 |
| Nebraska..... | 1,605.2 | 707.4 | 2,312.6 | Washington..... | 16.8 | 2.3 | 19.1 |
| Kansas..... | 671.4 | 1,786.2 | 2,457.6 | Oregon..... | 15.2 | .1 | 15.3 |
| Delaware..... | 36.9 | (²) | 36.9 | California..... | 32.9 | 69.2 | 102.1 |
| Maryland..... | 77.4 | (²) | 77.4 | | | | |
| Virginia..... | 125.5 | 1.8 | 127.3 | United States, total..... | 19,114.6 | 6,100.5 | 25,215.1 |
| West Virginia..... | 8.9 | (²) | 8.9 | | | | |
| North Carolina..... | 492.9 | 26.3 | 519.2 | | | | |

¹ Based on data reported to grain division by ASCS State offices.² Less than 50 acres.

Mr. SHORT. I have a couple of brief questions.

In your statement at the bottom of page 4, Mr. Jaenke, you say:

Either the 1961 or 1962 or the 1963 types of program can effectively meet these requirements.

This seems to indicate that you do not have any real strong feelings as to which one of those three programs should be enacted. If I interpret this correctly, you mean that it is the feeling of the Department that you are satisfied with any one of the three. There is one important difference in the 1963 program in the direct payment feature which is included only in the 1963 program.

Can we interpret this to mean that the Department is not completely wedded to the direct payment idea?

Mr. JAENKE. I think what we tried to indicate here was that we think that the need after 1963, when we are going to be about down to a safe normal carryover in the range of 45 to 50 million tons, is for the right kind of authority to vary some of these requirements so that stocks will be kept constant. You would not want to go down far below 45 million tons—nor would we want to start building back up again.

We think that either the 1961, 1962, or the 1963 type program with these other authorities to adjust the amount of the diversion, to adjust the payment rates, can be effectively used to maintain the stable carryover. We think there are advantages to the 1963 type program, the advantages to assure benefits to the cooperator.

Mr. SHORT. Because of the payment feature in the 1963 program?

Mr. JAENKE. In the 1962-type program the producer who cooperated was not sure what the market would do throughout the year; and therefore could not be sure as to what his advantage would be by participating in the program.

In the 1963-type program, he knows that he is going to get the 18 cents or in some other year 10 or 15 cents. He knows he is going to get this amount in payment in kind certificates. And he knows he is that much better off than the others.

In addition, we think it is more nearly adaptable and better adapted to the livestock producer.

In the 1961- and 1962-type programs, as I indicated, the livestock feeder who raised his own corn in order to be certain of the benefits had to put his corn under loan and then buy other corn in the marketplace 10 to 15 to 18 cents below the loan rate.

In 1963, this is unnecessary.

Based on all of our reports, this will bring in more livestock farmers in the 1963 program.

So for those reasons we see advantages to the 1963 type program, and therefore are happy to support it and to recommend the enactment of this program.

Likewise we do think that the concept of the 1962 program can be made to accomplish the same goals and the same ultimate ends of maintaining a stable feed grain livestock program.

Mr. SHORT. To develop this a little bit further, let me say that the 1963 program was carefully analyzed in Successful Farming magazine. Alternatives that are available to the farmer, were worked out in dollars and it looked like the best dollar alternative was to the livestock feeder who would feed all of his own grain. He could retire the minimum 20 percent of his acreage required under the law in order to be eligible for the direct payment, but he was also producing the maximum amount of grain possible and still comply to a minimum degree with the program.

Of course the amount of the direct payment would be a consideration, but it seems that it gives an advantage to this individual who was going to feed all of his grain on his own farm. The direct payment is an incentive to produce as much as possible on the land not taken out of production.

This is the reason why I was wondering whether the Department felt that this direct payment approach, rather than a variation in the land retirement payment, was an essential ingredient in any future feed grain program.

Mr. JAENKE. This points to one of the reasons in our actions last fall of establishing the 20- and 50-percent rate. If we had not done this, there would have been all the more incentive to do this very thing, as you pointed out. The minimum of 20 percent, to produce up to your full 80 percent, and get into the program and get the benefit of it were in centives. I have seen this article in the Successful Farming magazine, and in one or two other farm magazines. I do not mean to condemn their figures but we do not concur in their presentation.

Mr. SHORT. These figures that they used on this particular farm would not be broadly applicable to another one.

Mr. JAENKE. There is one point. We only have the first 10 days, report on the signup. We will have another one at about the halfway

point this Friday, but from that first report it would appear that a great number of farmers do not agree with the approach and the figures that the magazine articles show, because they are signing up much in excess of the minimum 20 percent. A portion of it is in the small farm area which lets them take out their entire acreage. We find that the farmers are going beyond the 20 percent. I think that the future reports will show that.

Mr. SHORT. We got into this consideration of the total supply of grain affecting the livestock prices a few moments ago. What has the Department done—maybe they have done something that I am not aware of—in the way of announcing a resale program for the 1962 crop?

Mr. JAENKE. We have not announced one.

Mr. SHORT. For feed grains.

Mr. JAENKE. We have not announced one.

Mr. SHORT. Would it not be in the interest of containing the supply of grain in its present location, in its present status, rather than forcing it to flow into the Commodity Credit Corporation stocks by announcing a resale program?

Mr. JAENKE. Of course, whatever you have really is in effect already in the Commodity Credit Corporation stocks, as a practical matter.

Mr. SHORT. It is not available for the Commodity Credit Corporation to sell in redeeming certificates.

Mr. JAENKE. No, it is not.

Mr. SHORT. Technically, it is not.

Mr. JAENKE. It is not. I think there are several considerations on this resale question. We believe that it is very desirable to have farm storage. Our loan program makes it available for the crop and the oncoming crop, so that in effect there is a 2-year supply there. On the other hand, we do not believe, as has occurred from time to time in recent years, that on-the-farm storage should be built up to handle four or five or six crops. There are also problems in farm storage that are not always conducive to the moving of the grain, to turning it, to keeping it in quality, particularly in certain areas of the country. This would not be so true in your area, I will agree, but it is in other areas. Therefore, it is to protect the farmer from ending up with a grain that is 3 or 4 years old and has deteriorated that we are trying to be very cautious and not permit too much resale. We hope to make some announcement on the resale question in the very near future, in the next 2 or 3 weeks.

Mr. SHORT. Thank you.

Mr. POAGE. Are there any other questions? If not, we are very much obliged to you, Mr. Jaenke, and to your associates. And since we have developed this type of procedure we will go on with it tomorrow. We will have an open hearing tomorrow. And we will hear from the National Farmers Union, the American Farm Bureau Federation, the National Association of Wheat Growers, the Missouri Farmers Organization and the U.S. Chamber of Commerce.

Is there anyone else who wants to be heard other than those who have been heard or who have been listed for tomorrow?

I have a request from the American National Cattlemen's Association to insert a letter in the record, and without objection that will be inserted in the record at this point.

(The letter referred to follows:)

AMERICAN NATIONAL CATTLEMEN'S ASSOCIATION,
Denver, Colo., February 25, 1963.

HON. W. R. POAGE,
*Chairman, Livestock and Feed Grain Subcommittee,
House Committee on Agriculture, House Office Building,
Washington, D.C.*

DEAR MR. POAGE: The American National Cattlemen's Association is an organization composed of 37 affiliated State cattlemen and cattle feeder associations; more than 100 local, county and breed associations in addition to thousands of individual cattlemen and cattle feeders from throughout the Nation.

Cattlemen and cattle feeders have a direct interest in farm programs and proposals involving feed grains. There is a relationship between production and prices of feed grains and production and prices of beef cattle.

For this reason, we wish to express our position relative to H.R. 3874 dealing with a feed grain program for 1964 and thereafter. It is our opinion that consideration of feed grain legislation and specific recommendations thereto on the part of the House Agriculture Committee would be premature at this time.

We feel that the formal action by your committee on any feed grain program should be withheld until after the completion of the sign-up for participation in the 1963 feed grain program. This would provide a real sense of the intentions of feed grain producers from throughout the Nation for their participation in the voluntary feed grain program currently in effect and which is directly related to the proposals as outlined in H.R. 3874. In addition to this, it would provide more accurate guidelines for the House Agriculture Committee to consider legislation related to costs of a feed grain law and in this way include in any legislation more specifics and definite language related to such things as the factor of compensatory payments, which in H.R. 3874 would be left entirely to the discretion of the Secretary of Agriculture.

This latter point is highly important, inasmuch as Congress is charged with the responsibility of enacting legislation. We feel that the Congress has gone entirely too far in delegating authority to the executive branch of Government without the proper check and balance as provided for in the Constitution of the United States.

We feel it also important that no action be taken on feed grain legislation until after the conclusion of the wheat referendum which we understand will be held sometime late in May. Inasmuch as many wheat growers are also feed grain producers, the upcoming referendum will provide a yardstick on attitudes of wheat growers toward various control programs whether they be mandatory or voluntary in nature. The House Agriculture Committee then would have much more accurate information from which to work on any consideration involving feed grain legislation.

We respectfully request your serious consideration of these thoughts expressed by the American National Cattlemen's Association and that any formal action on new feed grain legislation be withheld at this time. We also respectfully request the inclusion of this letter in the record of proceedings during the hearings before the Livestock and Feed Grain Subcommittee of the House Committee on Agriculture on February 27 and 28, 1963.

Cordially,

C. W. McMILLAN.

Mr. PoAGE. The committee will stand adjourned until tomorrow morning at 10 o'clock.

(Whereupon, at 11:55 a.m., the committee was in recess, to reconvene at 10 a.m., Thursday, February 28, 1963.)

EXTEND THE FEED GRAIN PROGRAM

THURSDAY, FEBRUARY 28, 1963

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON LIVESTOCK AND FEED GRAINS
OF THE COMMITTEE ON AGRICULTURE,
Washington, D.C.

The subcommittee met, pursuant to recess, at 10:10 a.m., in room 1310, Longworth House Office Building, Hon. W. R. Poage (chairman of the subcommittee) presiding.

Present: Representatives Poage, Jones of Missouri, Matthews, Purcell, Duncan, Olson, Matsunaga, Quie, Short, Mrs. May, Latta, and Harvey of Indiana.

Also present: Representatives Grant, Johnson of Wisconsin, Hoeven, Findley, Dole, Beermann, and Hutchinson.

Christine S. Gallagher, clerk; Hyde H. Murray, assistant clerk; John Heimbürger, counsel; and Robert Bruce, assistant counsel.

Mr. POAGE. The subcommittee will please come to order.

The committee is pleased to have the representatives of several of the farm organizations with it this morning. Therefore we are going to start with Mr. James G. Patton, who is accompanied by Mr. Reuben Johnson, representing the National Farmers Union. Mr. Patton, we are delighted to have you with us and we will be happy to hear from you now.

STATEMENT OF JAMES G. PATTON, PRESIDENT, NATIONAL FARMERS UNION; ACCOMPANIED BY REUBEN JOHNSON, ASSOCIATE DIRECTOR, LEGISLATIVE SERVICES, NATIONAL FARMERS UNION

Mr. PATTON. Thank you, Mr. Chairman and members of the committee.

For the record, my name is James G. Patton, president of the National Farmers Union.

It is an honor for me to have this opportunity to appear before the distinguished members of this subcommittee for the purpose of expressing the views of National Farmers Union on a long-range feed grains program.

The Committee on Agriculture in the House of Representatives plays a vital and essential role in maintaining the economic health of rural America. And, because the ways and means to provide farmers needed prices and income have always been controversial, the work of the House Agriculture Committee is not always easy. The members of both this subcommittee as well as the full committee deserve our sincere vote of thanks for the time and attention that you have given to farmers' programs over the years. I especially want to

commend Mr. Poage for his outstanding leadership in the development of the feed grains program.

In spite of the fact that there are continuing difficult decisions ahead in agriculture those members present here today have chosen to continue to devote their time and attention to agriculture. Having worked closely with farmers for most of my adult life, I share with you an awareness for the need of continually improving the economic position of the farmer and I admire the perseverance and courage of those of you who have chosen to remain in the service of agriculture in the Congress of the United States.

At the outset, Mr. Chairman, I want also to express the appreciation of the Farmers Union for the role of this committee in developing programs which have increased net farm income by almost \$2 billion over the past 2 years. In the fourth quarter of 1962 net farm income was \$13.5 billion—seasonally adjusted annual rate. For the year 1962, therefore, it appears that net farm income will be \$12.9 billion and the highest since 1953.

Since the fall of 1960 feed grain stocks have been reduced 28 percent. The 1961 feed grains program reduced corn stocks by 368 million bushels. The 1962 program has continued the reduction of corn stocks by 340 million bushels and preliminary reports and estimates indicate that feed grain stocks will be further cut through the 1963 feed grain program. The reductions of CCC stocks have cut the cost of storing and handling to the Federal Government. These indicators of progress are well known and understood by the American farmer, who also knows that without the increases in the price support on nearly all price-supported commodities many family owned and operated farms would be bankrupt today.

As you well know, much of additional farm income is the direct result of the feed grain program, so I again commend this subcommittee for the development of this worthwhile program.

But even though the programs of the past 2 years have added income that otherwise would not have been realized, the income gap between the farm and nonfarm sectors still remains deplorable. This concern was recently pointed out by the executive committee of the National Farmers Union. While they commended both the Congress and the administration for their valiant efforts to improve the agricultural economy, the committee stated that "farmers are still plagued by inadequate returns for their capital investment, management, and work."

"Farmers everywhere," the committee said, "should join forces this year to work with responsible farm organizations and farmers' friends in Congress and the administration to insure a prosperous and stable agricultural and national economy."

Undoubtedly the concern, as expressed in the words of our executive committee, is grounded in the fact that in spite of an increase in overall net returns to farmers, the parity ratio, which is a measure of farm income in relation to cost, has not increased.

Almost half of our farm families had incomes, from all sources, of less than \$2,500 in 1959, according to the Bureau of the Census. Nearly two-thirds of the individuals living alone on farms had incomes of less than \$1,000 a year.

A recent study made by Farmers Union from Department of Agriculture figures shows that in the period 1947-49 total investment

in a typical cash grain farm in the Corn Belt was \$58,230. By 1959-61 the total investment in such farms had increased to \$107,840, or an increase of \$46,610 per farm.

Over the same period the amount of cropland harvested increased from 186 to 200 acres per farm and net farm production increased by 33 percent.

Gross farm income in the 1947-49 period on such farms was \$13,732. By 1959-61 the gross farm income was up to \$15,653—an increase of nearly \$2,000. However, net cash income over this period dropped from \$7,976 to \$6,674—a reduction of \$1,300.

In 1961 returns per hour for operator and family labor on such farms was \$1.03, or below Federal minimum wage standards.

Prosperity in rural America will continue to have a great deal to do with the growth and prosperity of our national economy. I am firmly convinced, for example, that a substantial increase in farm prices and income would result in utilizing our industrial production capacity to a much greater extent than at the present time. This would mean a reduction in the present 5.8-percent level of unemployment.

Unless some way can be found to increase purchasing power of those people who are not sharing equitably in national growth and income, it will be necessary to put the unemployed to work and activate idle plants through a public works program. I recommended recently to the Joint Economic Committee that a \$50 billion investment be made in public works projects over the next 3 years. The Nation needs more schools, more roads, more pollution abatement plans, more public works such as dams to control floods and produce power as well as steam and atomic plants for this purpose. But, obviously, a substantial increase in farm income could play a vital and important role in alleviating unemployment and idle industrial production resources.

Increasing prices and income at a much more rapid pace would strengthen the family farm system of agriculture that has served this Nation so effectively. Not only has the family farm system of agriculture given this Nation the strongest, the most productive and the most efficient agriculture in the world, it is the bulwark of the social and cultural values that are essential to our national political and social welfare. For this reason Farmers Union continues to stress the need for economic conditions in agriculture which will make it possible for a farm family to earn a living comparable to other economic groups with similar investments, management, and work requirements.

This concern for the family farm was expressed recently in the report of the Family Farm Subcommittee to the National Advisory Committee on Rural Development. The subcommittee recommended:

Practical limitation of Federal price support, credit, conservation, crop insurance, and other assistance, both monetary and technical, to larger than family farms. There should be a cutoff point beyond which no subsidy will be paid. The cutoff might be at a specific income level, at a specified number of acres, or at a specified number of bushels or pounds.

Therefore, in the feed grains program which we will present to the subcommittee today, we have made provision for a family farm cutoff. We urge that the subcommittee consider whether some practical means might be found to limit Federal assistance to larger than

family-type feed grains operations. Such a provision would have the effect of (1) protecting and strengthening the family farm structure of agriculture, and (2) cutting Government cost of needed farm programs.

The feed grains program to be presented and outlined here today was drafted by a committee of Farmers Union State presidents made up of Mr. Ben Radcliffe, president of the South Dakota Farmers Union; chairman, Mr. Elton Berck, president of the Nebraska Farmers Union; Mr. Kenneth Schuman, president of the Iowa Farmers Union; Mr. John Rees, president of the Illinois Farmers Union; and Mr. Alvah F. Troyer, president of the Indiana Farmers Union.

With your permission, I would like to call on Reuben Johnson, director of legislative services, to briefly summarize our recommendations.

Mr. POAGE. Thank you.

Mr. REUBEN JOHNSON. The provisions of the program are relatively simple. We have an outline in brief form, and with your permission I will just present the outline.

Mr. POAGE. You may do so.

Mr. REUBEN JOHNSON. The objectives of the program as desired by the National Farmers Union Drafting Committee are—

1. To increase farm income—100 percent of parity to cooperating producers.
2. To assure consumers of continued fair and stable prices for meat, poultry, dairy, and cereal products.
3. To afford producers the means of growing needed quantities of feed grains without risk of overproduction which depresses prices to farmers and increases storage costs to taxpayers.
4. To further reduce current feed grains stocks to the level of an adequate safety reserve.
5. To strengthen to historic and traditional national objective of a strong system of owner-operated family farms, as contracted to ownership by absentee landlords and recent rapid growth of vertical integration.

Major provisions:

1. Voluntary program covering corn, grain, sorghum, and barley to operate nationally, until such time as it may become ineffective in maintaining a reasonable balance between supply and demand and in returning 100 percent of parity to cooperating family-type producers.

2. Established 1959-60 feed grains base for individual farms will be extended.

3. The Secretary of Agriculture will determine for the year ahead national feed grain requirements—domestic consumption and export requirements, including commercial market, social market, and food-for-peace usage, plus the amount of feed grains needed for maintenance of an adequate safety reserve.

4. One hundred percent of parity will be provided for cooperating producers through the establishment of price-support floor set at 75 percent of parity and a direct payment to make up the difference between the support level or the market price, whichever is higher, and 100 percent of parity—\$1.61 per bushel for corn with grain sorghum, barley, oats, and rye supported on basis of feed-value-equivalent ratio to corn.

Producers cooperating in the percentage reduction of feed grains acres prescribed by the Secretary will be eligible for 100 percent of parity.

5. Producers who stay within their feed grains base acreage will be eligible for support price—75 percent of parity—which is \$1.20.

6. To encourage, promote, and preserve the family operated structure of U.S. agriculture, the maximum amount of direct payment per farm operator will not exceed \$10,000.

7. Contingency reserves will be established in order that bases will be available for new producers and in order that adjustments may be made by ASCS committees in hardship cases.

8. Examples of how the program will operate for—

(A) Producer making acreage reduction of 20 percent from 100-acre base:

Eighty acres times 70 bushels per acre equals 5,600 bushels times support price of \$1.20 plus \$0.41 direct payment (\$1.61) equals \$9,016 gross return.

(B) Producer planting within 100-acre base:

One hundred acres times 70 bushels per acre equals 7,000 bushels times support price of \$1.20 equals \$8,400 gross return.

Mr. POAGE. Is that all that you care to state now?

Mr. REUBEN JOHNSON. That concludes our statement, Mr. Chairman. I might add that we come before the committee to submit a program which has been developed by the National Farmers Union Feed Grains Committee. We do not have all of the details worked out. We have a rough draft of the legal language.

I would like to say that I would appreciate any help and comment that you have at this point, if, in your judgment, this program has any merit, and we can help this committee and the Congress.

Mr. POAGE. Thank you, Mr. Johnson, and thank you very much, Mr. Patton.

Mr. PATTON. Thank you.

Mr. POAGE. I think the direct answer to Mr. Johnson is that I would suggest this bill, and that you support this bill. I can see a good many opportunities in what you have suggested, but I think we have a good chance of passing the legislation now pending before this subcommittee.

Naturally we want to pass the bill without any delays, and hope that we can, Mr. Johnson. So I will not try to pass upon the legislation that you propose, although it is perfectly proper for you to suggest it. I am glad to have your suggestions.

Mr. REUBEN JOHNSON. We know that there are some of the basic principles in the bill which you have introduced which are very similar to the program which we are talking about here. I could sum it up in one sentence; the attitude of our feed grains subcommittee is that they want to keep continually pushing ahead, to try to raise the price and the income to the feed grain producers.

They feel very strongly that feed grains is one of the basic crops that has a great deal to do with the price of livestock, cattle, poultry, and dairy commodities, and they want to stress a program which, in their judgment, would substantially raise the income of the feed grains producers over the present level.

We are not at all unappreciative of the progress that has been made, as Mr. Patton has pointed out in his statement.

Mr. POAGE. I was going to say further that I seek the same objective that you are seeking there.

Mr. PATTON. Yes, sir.

Mr. POAGE. Even though this bill that I have introduced will be, in my opinion, very much more expensive. I think it will be more expensive than it needs to be or should be, but I think from my experience last year that we know that we cannot get a cheaper proposal.

I think we know that there are votes enough to prevent us from getting a more effective and cheaper program. I believe that we have got to have a program. Frankly, the only reason I introduced a high-priced program was that it seemed to be all we could hope to pass. A voluntary program is more expensive than any other program.

Mr. REUBEN JOHNSON. There is no doubt about it.

Mr. PATTON. That is right.

Mr. POAGE. There are many people in this country who do not believe in a direct payment program. We tried that out last year.

It seems to me that we have to recognize the fact that we cannot get the cheapest or most effective program. It seems to me that the thing to do is to take the next best one that we can get. I do not know whether we can or not get it. We are going to make a try. I do not blame you for asking for something more—I do not blame you for wanting to go further. But I think that we have to pass the bill and I have introduced one which I hope can pass.

Mr. REUBEN JOHNSON. We realize that our program would be costly because everybody accepts the fact that if you take a voluntary route in a program, it will cost more money than if you have a program with a referendum where the farmers could decide to control their production. There is no doubt in my mind about that.

As long as we stay with the voluntary programs, whether it is the kind of program we talk about here, or whether it is the kind of program that you have introduced in your legislation, I think that we are going to have to keep the Budget Bureau alerted to the fact that we are going to need more money and, if so, somehow or other we can join together as farmers with that objective in mind. Unless we do, I do not believe it will be possible to secure some additional increases in income for the feed grain producers and other farmers.

Mr. POAGE. I think that is a laudable objective of all of these programs, to give the farmers additional income. I think that by the balancing of supply and demand, that you can give the farmers an increased income.

I am always dismayed when I hear people talk about repealing the law of supply and demand. The Congress has never tried to repeal the law of supply and demand. It has only recognized the existence of the law of supply and demand.

We have tried to make it work for the farmers, instead of making it work against them. The law of supply and demand does not necessarily mean low prices as so many people have tried to suggest. The law of supply and demand, as I understand it, is that if the supply goes down and the demand remains stationary, prices will go up. And if the supply exceeds the demand, prices will go down.

I understand that the law of supply and demand works in both directions, not simply downward. We ought to let that law work

up and down. And once we balance the supply and demand, we will get a reasonably fair price, the producer will get a fair price for what he produces, and the consumer will buy the products at a fair price.

Mr. REUBEN JOHNSON. We are making progress.

Mr. POAGE. I do not see why we do not try to balance supply and demand.

Mr. REUBEN JOHNSON. We have made progress in that direction, sir.

Mr. POAGE. And that is all that this legislation attempts to do. Of course, how you do it, and how much you spend doing it, is the question.

Are there any other questions?

Mr. JONES of Missouri. Mr. Patton, I was interested in reading your statement, but when I get down to the end of it to the conclusion that you reached, I cannot go along with you.

Where do you get this 41-cent commercial direct payment; is that to bring it up to 100 percent of parity?

Mr. REUBEN JOHNSON. That brings it up to 100 percent of parity.

Mr. JONES of Missouri. Well, now, in other words, I think that is a fine goal to try to attain. I think that we have to be realistic about this thing, too. Money comes in there. I think that the example that you set out here showing the man who reduces 20 percent is actually going to get 7 percent more money than the man who does not produce, and by that, I think that you have defeated your very purpose, when you make that example.

That is just my opinion. It would seem to me that in reducing this 20 percent, he is going to be inclined to spend that extra money for more fertilizer. I think that he will actually produce as much on the 80 acres as this man will produce on the 100 acres. And I think that you are going to have a still further spread. I cannot go along with that.

Mr. REUBEN JOHNSON. Mr. Jones, I would like to point out that this is the major outline of a program. Of course, I think that we would continue to operate a program of the type that we have in mind here on the basis of the normal yield that we have in the present program which, I think, for corn on the national basis is about 54 bushels. It varies of course, depending upon the area. I do not see any reason why we could not operate a direct payment program with the same kind of an approach to the establishment of normal yields that we operate in the present program, with adjustments.

Mr. JONES of Missouri. The way this is presented here, I do not think that you could sell that to anywhere near the majority of the Members of Congress, to say that the man who plants 80 acres will get a guarantee of \$600 more, or a little over 7 percent more than the man who plants 100 acres.

I do not believe you can sell that program to anybody.

Mr. REUBEN JOHNSON. What we have tried to do in the voluntary program, such as this, is to give an incentive to the producer who will make a reduction.

Mr. JONES of Missouri. Do you think it has to be that great an incentive? That is what I want to know. That is what I wanted to point out to you.

Mr. REUBEN JOHNSON. We approach this not in terms of what incentive you need to get the reduction. I think we came to it from

the other end. We started to talk about income as the No. 1 objective and then get down to how can you achieve this income at the same time as you give the producer an incentive to make a reduction. Income is our No. 1 objective.

Mr. JONES of Missouri. You are proposing to pay too big a bonus to accomplish that. I think that you could accomplish it without paying that great a bonus. That is what I am trying to say.

Mr. REUBEN JOHNSON. Mr. Jones, I think that the program we have will figure out at a cost of about \$1,257 million, assuming 100 percent of parity.

Mr. JONES of Missouri. I understand that.

Mr. REUBEN JOHNSON. Last year the feed grain program cost something in the neighborhood of \$950 million. Our program would cost more than that, but it gets the income directly into the hands of the producer in a different manner, which we think is worthy of some consideration.

Mr. JONES of Missouri. I understand this. I am not just arguing; I am trying to point out this, trying to be helpful to you. I think if you get a more realistic approach, you will get more support and will come nearer having it passed than this program that you have offered here this morning.

Mr. REUBEN JOHNSON. Let me say that we recognize the problem of attempting to get the amount of money needed to put in effective programs, but as our people met and discussed it, they decided to put the No. 1 emphasis on the producer income and not to be concerned primarily with what it cost.

These decisions, we know, have had to be made in the past and will have to be made in the future by the Congress and the administration.

Mr. JONES of Missouri. Thank you.

Mr. POAGE. Are there any other questions?

Mr. SHORT. Just a couple of brief questions.

Mr. Johnson, in your outline of section 1, you seem to indicate that you would prefer a voluntary program, and you use the language, "Until such time as it may become ineffective in maintaining a reasonable balance between supply and demand and in returning 100 percent of parity to cooperating family-type producers".

On the basis of our experience with the somewhat voluntary feed grain programs, can you, in projecting your thinking into the future, visualize that this approach is not going to work? You seem to think in your statement that it has worked in the last 2 years. What reason would you have to believe that it might not work in the future?

Mr. REUBEN JOHNSON. Well, I think that all of us recognize that a voluntary program has to be attractive enough to get farmers to participate in it.

The reason why we have worded out No. 1 provision as we have is that the Farmers Union believes that we ought to have a program which enables us to balance supply with demand. And we wanted to put in here a protection in recommending a voluntary program, in the event that a voluntary program does not do the job, then we all will have to start to look at something that will. We have confidence that this program will attract producers, that they will make reductions in their production in order to qualify for higher support levels. The fact of the matter is that in visiting with a Member of

Congress the other day, he said, "I do not know how you will keep all of the farmers out of this." But this is a question that maybe we need to consider as well.

We think that producers would participate in the program if they could be assured of the price and make a reduction in order to qualify and do it over a long time.

Mr. SHORT. Is not the key of the thing the amount of money that the Congress determines it wants to spend to bring about this reduction?

Mr. REUBEN JOHNSON. That is right.

Mr. SHORT. Through a voluntary program?

Mr. PATTON. That is right.

Mr. SHORT. Or a mandatory program?

Mr. REUBEN JOHNSON. That is right.

Mr. SHORT. In a mandatory program, they could make it possible, but it might or might not be true in a voluntary program.

Just one more question: Do I understand your objective rightly that you believe that the direct payment should be substituted entirely for any land retirement payment as a means of compensating the farmer for the difference between the support price and the return to the farmer that is desired.

Mr. REUBEN JOHNSON. Of course, the net effect of both of these approaches is very similar, but we do believe that we would prefer, in the Farmers Union, to have all of this made in the form of direct payments to the producers, rather than to have land diversion payments. Obviously we have gone to that kind of approach.

Mr. SHORT. Would the direct-payment approach conceivably be more simple and eliminate the kind of land retirement payment to the farmer which has seemed to result in a considerable complication in administration and in the individual farmer's satisfaction with the program—you find many farmers who think they are getting paid properly under the land retirement approach, and others who do not.

Mr. REUBEN JOHNSON. Well, it is conceivable that that might be the effect. I have not given a great deal of thought to the difference in the mechanics of operating it that way—in operating a land diversion program. I think those who agree that the land retirement approach is the best approach contend that this affords a somewhat better way, with a limited amount of money, to get the feed grains out of production.

But I believe the direct-payment program would be relatively simple to administer. The ASCS committees could operate a program like this. It is being done now. That would not be changed. I do not really know how to answer your question, except to say that the direct-payment program does have a fairly simple administrative procedure that we think is worthy of consideration.

Mr. SHORT. Thank you.

Mr. HOEVEN. Mr. Johnson, what was the position of the National Farmers Union on the Feed Grains Act for 1964?

Mr. REUBEN JOHNSON. 1964?

Mr. HOEVEN. Yes.

Mr. REUBEN JOHNSON. You mean 1963?

Mr. HOEVEN. Yes, which also covered the crop year 1964.

Mr. REUBEN JOHNSON. You mean the 1962 program?

Mr. HOEVEN. The act we passed last year relating to the crop year 1964.

Mr. REUBEN JOHNSON. Everybody on this committee heard us testify in favor of it.

Mr. HOEVEN. Well, you favored the legislation which was enacted by the Congress last year?

Mr. REUBEN JOHNSON. Yes, we did.

Mr. HOEVEN. And that act provided for the crop year 1964 including 50 percent of parity or 80-cent corn?

Mr. REUBEN JOHNSON. Mr. Hoeven, we had absolutely nothing to do with that part of the bill. The program as set forth in this period did do something that we were for, that is that we got rid of the 1958 provision under which the farmers would have been faced with a fairly low level of support.

Mr. HOEVEN. Well, I understand that the National Farmers Union fully approved the legislation which was enacted by the Congress last year which included the 50-percent price support for corn in 1964.

Mr. REUBEN JOHNSON. Obviously, Mr. Hoeven, we are not willing to go to that kind of program or we would not be here this morning with this program.

Mr. HOEVEN. That may well be, but you did support the legislation passed last year.

Mr. REUBEN JOHNSON. Well, we did support this legislation, provision by provision. When it came down to the time for us to make a determination, we decided that the repeal of the 1958 act offset the 50-percent parity. And we also understood from the contacts on the Hill that the Congress, the leadership up here, would not permit that kind of a program to go into effect. We looked forward to exactly the kind of hearings we are having here today.

Mr. HOEVEN. I recall receiving telegrams from members of your organization asking me to support the administration bill of last year.

Mr. REUBEN JOHNSON. You will recall that in this bill, that there were a number of other things that we did not support.

Mr. HOEVEN. The National Farmers Union has always been consistent, I would say, in advocating 100 percent of parity. Now, apparently the administration has completely abandoned even 90 percent of parity. There is not an agricultural commodity today that enjoys 90 percent of parity. The Secretary of Agriculture has the authority and the discretion to raise the support level by the stroke of a pen. How do you explain that?

Mr. PATTON. Mr. Chairman, I would like to comment on that, if I may.

Mr. POAGE. Go ahead.

Mr. PATTON. It seems to me, Congressman Hoeven, any administration which is trying to do something for agriculture is strictly up against a tremendous problem of having a very high budget for defense—and I am not critical of that, but everything else has to come within what is left, and to me the basic answer—and I happen to believe that Mr. Freeman would like something like that—I know that in many instances he would want to go much further in increasing the price-support levels than the Budget Bureau would permit him to do.

It seems to me that the basic problem that America faces is to get her economy in motion sufficiently to have full employment so that

we have a larger income. If we cannot do that—if we do not do that, we are going to be, not only in agriculture but in other nondefense segments of our economy, continuously up against a budgetary problem.

I would like to say also, Mr. Chairman, that the basic concept of the National Farmers Union in relation to supply and management is to put it on a bushel and pound and unit basis and not on an acreage basis, but that goes into some of the thinking that went into the proposal.

This proposal is only a proposal, Mr. Poage, and not a final matter. We recognize the problems that this committee faces in terms of getting the best that you can.

So far as our support of the last year is concerned, Mr. Hoeven, we think that we are realistic. And once a bill is on the floor, or coming to the floor, if there is more good in it than bad, we support the bill, because we recognize that all legislation is a matter of compromise, of getting the best that you can. It may not fit.

Mr. HOEVEN. You supported the bad with the good?

Mr. PATTON. Well, we found an intelligent position. If we wanted to have any support for agriculture we had to support what was available and not what we wanted.

Mr. HOEVEN. So you are in accord with the position taken by some of us last year—that the legislation as a whole was not for the best interests of the American farmer?

Mr. PATTON. It was not as much as we wanted, let me put it that way, but at the same time, Mr. Hoeven, I feel very sincerely that this great committee of which you are a distinguished member does the best it can, under the circumstances. There were obviously differences of opinion, and that is as it should be.

Mr. POAGE. Do you know one single member of this committee or one single Member of the House of Representatives or of the Congress of the United States who has not supported legislation that had in it details with which he did not agree?

Mr. PATTON. I feel that is the constant process that we have, Mr. Poage.

Mr. POAGE. Do you know anywhere in the world where every member has to be satisfied on every detail of every piece of legislation, and if so, how would we pass any legislation?

Mr. PATTON. Even the subcommittees that I appointed on the feed grains proposal that we have were not all in agreement on every point, but they finally reached, as the Congress does, a compromise of the best things that each of them could get in it.

Mr. POAGE. If there is more good than bad, we issue the report?

Mr. PATTON. Yes.

Mr. POAGE. This bill that I introduced, I am not repudiating, is a high-priced bill—I know it—it has things in it that I do not like, but I think that I understand what it takes to get some people's support. Even so, we may not get enough support now to pass it. We know that.

But we do not think that we could change it more nearly to comply with my views and hope to get it passed. I think it has more good in it than it has bad in it. I would like to see it pass. I think that every member of this committee is taking the same view. I think that every farm organization has to take the same view.

Mr. PATTON. I want to make it clear that we certainly are in no way critical of what you have done. We are great admirers of what you have done over the years. If this is the best that we can get, you will find us supporting it.

Mr. POAGE. I am not talking about that, Mr. Patton. Mr. Hoeven suggested that you supported a bill that contained a provision that you did not like.

Mr. PATTON. That is right.

Mr. POAGE. He suggested that you must, therefore, endorse that provision. I do not know of one single member who feels that he has to endorse every provision of every piece of legislation that he supports. I have never known of such a member. I do not believe that there is anybody else in that situation.

Are there any other questions?

Mr. Findley, you were the first one who asked recognition, and I recognize you.

Mr. FINDLEY. I appreciate it very much.

Mr. POAGE. We will be glad to have your statements.

Mr. FINDLEY. I would like to ask you this: Do you think there is a practical chance that the administration will support basic commodities at 100 percent of parity?

Mr. PATTON. Mr. Findley, as I said, until we get through with some of these basics in terms of the overall national income, and unless the cost of defense is lessened, I do not see much hope for many of the things that America needs, from my point of view, and I do not think at this point that they can get enough money out of the budget, out of the total pie that we have.

But that does not relieve us of this responsibility of representing the point of view of the majority of our members.

Mr. FINDLEY. And do you think—

Mr. PATTON. And I am sure that we would not get as much as we have gotten if we had not asked for more than we thought we would get.

I have never been guilty of asking for too little for the American farmer, and I do not intend to ever be guilty of asking for too little.

Mr. FINDLEY. Under the present law, I believe I am correct in making this statement: the Secretary does have the opportunity, if he so elects, to support prices for the basic commodities at 90 percent of parity.

Do you think there is a practical possibility that the Secretary, or the present administration, will support the basic commodities at 90 percent of parity?

Mr. PATTON. I think that question is in the field of opinion. I feel that we want to get supply in relative balance with what the effective demand is, including our foreign policy demand. There is a very good chance of 90 percent.

Mr. FINDLEY. Well, then, within what period of time would you anticipate that?

Mr. PATTON. I think, myself, within the next few years.

Mr. FINDLEY. Within the next 2 years?

Mr. PATTON. Yes.

Mr. FINDLEY. The present administration—

Mr. PATTON. If it begins to be effective, in the supply relationship, so that we come somewhere near in line with demand—in decreasing supply, I mean.

Mr. FINDLEY. You believe that will happen?

Mr. PATTON. I think that it will, if we implement the program outlines—I believe that we can.

Mr. FINDLEY. I recall that the Democratic platform of 1960 included this pledge, that loans on basic commodities would be made at not less than 90 percent of parity.

I have one other question:

I, too, believe in the family farm structure in agriculture, but I have had difficulty to get anybody to define the size of a family farm. I notice that you are taking a deep interest in this and, no doubt, in deciding on this \$10,000 maximum figure under your proposal, you have done enough research so that you know pretty well what a family-sized farm is. For example, in my part of Illinois, central Illinois, has a diversified farming operation and the family-size farm would be different in size from a grain-producing area as in Iowa.

Are you prepared today to give us some specific definition as to the size of the family-sized farm in today's conditions?

Mr. PATTON. First, Mr. Findley, the Family Farm Subcommittee of this committee had a very good definition in the report 2 years ago, I think. I can give you our definition. It does not relate to the number of acres. It is the size of a farm adequately capitalized that will fully employ the management and skills and labor of the adult members, the adult male members of the family, and return to them at fair prices an income comparable to that in other occupations. In other words, it might be in one part, as in my home State of Colorado, 4,000 acres dry land, as in eastern Colorado where it takes 50 acres to graze one cow, and up in the State of Washington it might be different.

Mr. FINDLEY. What would you suggest as to the size of a family-sized farm in Illinois?

Mr. PATTON. It again would depend upon where you were talking about in Illinois. Down in the hill country in southern Illinois it might require more land by quite a bit than up in the Black Belt of Illinois. I do not think you can define it in number of acres. And it will in the future, as it has in the past, become larger, particularly with the particular kind of agriculture being mechanized. This is particularly true of wheat farms in many places today, and they are still family-sized farms.

Mr. FINDLEY. I think I would be fair in assuming that the adult members of the family might be two adult members in number.

Mr. PATTON. That is shifting quite a bit, because they are working off the farm a lot.

Mr. FINDLEY. I have just learned, for example, of several farm operations in central Illinois each of which requires the full-time effort of only two men and involve 1,500 acres. Would this be a family-sized farm?

Mr. PATTON. If it returned an adequate income to that farmer and to the people who are working on it.

Mr. FINDLEY. Do you feel that most of these farms in Illinois today, for example, are large enough units to be defined as family-sized farms?

Mr. PATTON. I do not have the statistics on it. I suppose that some of them would be too small to be an adequate family farm. Not knowing the State too well, I cannot say otherwise. But in some parts of your district I would guess some would be too small, and there might be some, undoubtedly, that are adequate.

Mr. FINDLEY. Well, the University of Illinois a couple of years ago made a survey of the Illinois farms, and as a result of that survey they came to the conclusion that more than one-half of the farms in Illinois are too small to justify the full-time effort of one man, much less the farmer-son combination. It looks like we have to get the farm units bigger even to have a family-sized farm.

Mr. PATTON. That is why we have always supported the credit program, and we are going to pass this pamphlet around which gets into some of the things that you are talking about, Mr. Findley.

The capital requirement in agriculture has been increasing at a fantastic rate, because of mechanization in higher priced lands and such things as that, and we have supported a credit program that would permit the buying up of units as they came on the market and the resale on long-term credit basis to make the family type adequate units. There are some that are not adequate.

Mr. FINDLEY. Could you supply for the record an estimate of what you consider to be a family-sized farm for the State of Illinois in diversified grain and livestock as of today, and also the acreage required to have a family-sized farm in the grain area like in central Iowa, where no livestock is involved?

Mr. REUBEN JOHNSON. I understand what you mean. Under our definition, I cannot give you all of the statistical information as to acres and the like, from that standpoint.

Mr. POAGE. You can put in the record what your definition of the family-sized farm is. That is all of the answer that anybody can ask of you.

Mr. REUBEN JOHNSON. Yes; thank you.

Mr. PATTON. Certainly.

(The information follows:)

DEFINITION

A family farm is a family enterprise, a farm operated by and for a family. It is small enough to enable a family to provide most of the labor, except for peak labor periods, the management, and the control of the capital required. Yet, it is sufficiently productive and profitable to support a family. Hence, although the number of acres involved is a pertinent factor, size alone is not the measure of the family farm. Size varies according to the type of agriculture pursued. Family farming may be had on a 10-acre truck farm, on 160-acre dairy farm, a 300-acre grain-livestock farm, a 2,000-acre wheat farm, and a 10,000-acre ranch. More over, mechanization enables a farm family today to operate a much larger farm than was possible a generation ago.

Mr. FINDLEY. Mr. Chairman, I would have to conclude from this that the current family-sized farm is indefinite and lacking in specific definition. Thank you very much.

Mr. REUBEN JOHNSON. I would like to say that in the minds of the people who belong to the National Farmers Union, they understand at least what we are talking about when we talk about a family farm. The farmers understand it. This is the whole basis where we get it from out of the membership of the National Farmers Union. I think that the National Farmers Union members understand it.

Mr. POAGE. I think that most of them understand it.

Mr. Latta.

Mr. Latta. Thank you, Mr. Chairman.

Mr. Patton, I want to say for the record that in the past the National Farmers Union and I have differed quite radically. The National

Farmers Union has been for mandatory programs for agriculture and I have been for voluntary programs. I read something last fall in one of your newspapers to the effect that you were going to come around to the voluntary approach.

I also am aware of the fact that in your statement today that you are for a voluntary program. I commend you for the change. Now, coming to this matter that Mr. Hoeven was questioning you about, you were for the bill which contained the low corn prices for 1964? Is that a fair summary?

Mr. PATTON. Yes.

Mr. LATTA. Because there was more good than bad?

Mr. PATTON. Yes.

Mr. LATTA. From that can I assume that you thought the year 1963 was better than 1964, because it pertained to two crop years—one program for 1963 and one program for 1964; does that seem quite fair, that you ought to take the position that since 1963 was a good program or what you thought was a good program, that you should be for a bill when you were against the 1964's provision in the same bill? That does not seem quite practical to me. Would you care to explain that?

Mr. PATTON. Are you referring to Mr. Poage's bill?

Mr. LATTA. Yes, the one that is before us now.

Mr. PATTON. We support that.

Mr. LATTA. The 80-cent corn provision in the 1964 bill.

Mr. PATTON. We supported the bill last year.

Mr. LATTA. That is what I said, but you made the statement earlier in answer to Mr. Hoeven's question that you supported the bill because you thought there was more good in it than bad in it.

Mr. PATTON. That is right.

Mr. LATTA. I pinpointed the matter from the standpoint of the years, for 1963 you supported it even though you were against 1964—you supported that portion of the bill.

Mr. PATTON. The only thing that I can say is that we supported the bill.

Mr. LATTA. You take 2 separate years and say that we are for the bill because it is good for 1963.

Mr. PATTON. Well, frankly, we hoped to get some improvement. We hoped to get some improvement before 1964 came out.

Mr. LATTA. In your statement you have 3 years, for example, and it was good for 2 out of the 3 years.

Mr. PATTON. We hoped to get some improvements.

Mr. LATTA. Is this not it, that you were hoping, come this year, that with 80-cent corn for 1964 you would have a club over the Congress for some new program; is that not a fair statement?

Mr. PATTON. I would not use the word "club"—I think that is too drastic. But we do operate on pressure—I do not know of any outfit in this country that does not. We are a pressure organization.

Mr. LATTA. That is really a fair statement, is it not?

Mr. PATTON. I do not want the record to show that I have agreed with you that we are using a club on anybody, because we do not do that.

Mr. LATTA. You can use your own terms.

Mr. PATTON. Well, I refuse to go along with that.

Mr. LATTA. You supported the program in 1963 which covered 2 years, 1963 and 1964, because you hoped in 1963 that you would have 80-cent corn for 1964 hanging over the American farmer and that Congress would be forced to go along with a program more to your liking, is that not right?

Mr. PATTON. We were hoping to improve the program.

Mr. LATTA. That is a fair statement, is it not? In your objective that you outlined here, you say, No. 2, "To assure consumers of continued fair and stable prices for meat, poultry, dairy, and cereal products."

You were for this dumping, as I remember, by the Secretary of Agriculture, of the surplus corn on the market, using whatever terms you like, at around \$1 per bushel? How can you be for that and also be for guaranteeing prices for meat, in view of the price of cattle today?

Mr. PATTON. I think that the consumer has enjoyed fair prices.

Mr. LATTA. You support the present-day prices?

Mr. PATTON. I think that they are very fair prices. The consumer in this country gets more food for fewer hours of work and a smaller percentage of his income than in any country in the world. In Russia they pay more for their food. Our problem is that the farmer does not have the ability to maintain his price position so he has to depend upon Federal farm programs.

In other words, he cannot do anything about the price spread between himself and the consumer. And all you need to do is to look at the profit figures of the distributors and some of the processors to see where the consumer is getting stuck. It is not because the farmer is getting a higher price.

As a matter of fact, Mr. Latta, if it had not been that way, the consumer would be paying a higher price. So, in fact, the farmer has been subsidizing the consumer.

Mr. LATTA. Cattle prices are lower than a couple of years ago.

Mr. PATTON. I regret that.

Mr. LATTA. But the very program, the very policies that you agree with dumped corn on the market and reduced prices.

Mr. PATTON. I am here to admit that cheap feed means cheap livestock.

Mr. LATTA. I have always maintained that.

Mr. PATTON. I do, too.

Mr. LATTA. You supported this dumping but I am against it.

Mr. PATTON. I think that the Secretary of Agriculture, of necessity, had to move this stuff into the market.

Mr. LATTA. That is all. Thank you.

Mr. POAGE. Thank you.

Mr. HARVEY.

Mr. HARVEY of Indiana. Yes, I have some questions.

I am concerned over a statement in the middle of page 4 of your testimony in which you attempt to set forth the income of the farm and the farmers. You conclude in that paragraph and say:

However net cash income over this period dropped—
and I assume you mean 1959-61—
from \$7,976 to \$6,674—a reduction of \$1,300.

And then you go ahead in the next paragraph and you say:

In 1961, returns per hour for operator and family labor on such farms was \$1.03, or below Federal minimum wage standards.

And that is, of course, true. How many hours of work did you use in arriving at that figure—how many hours of work on this typical cash grain farm did you use?

Mr. REUBEN JOHNSON. We do not have those figures with us.

I think we can get them. We will be glad to include them in the record.

(The information follows:)

For the average family of three it took an average of about 40 hours of work a week to arrive at the \$1.03 per hour for cash grain farms. This does not include, of course, any set-aside for management or return on investment.

Mr. HARVEY of Indiana. Permit me to say that I think that they ought to be in the record, because in my study, in a survey in Indiana, I arrived at different figures.

I think what you mean in that figure is that it includes a return for interest on the investment as well as the labor income. And if you divide those figures, it would be different. You have put the interest figure in with the other income. If you divide them into a return for labor and for investment, it would be different. I think that you would present a much fairer picture of what is actually happening if you did that.

Here you say that the typical grain farmer has an income of \$6,674. It makes a lot of difference whether that figure includes interest on the investment as well as for labor.

I do not think that your statement should be misconstrued, but it probably will be, because the figures here will be quoted widely in the press, to the detriment of the farmer himself.

Mr. REUBEN JOHNSON. The \$1.03 is not very much for a farmer to earn, even a cash grain farmer who has a \$107,000 investment in his farm, but I agree with you that this figure should show some kind of interest on the investment in calculating the returns to the farmer.

Mr. HARVEY of Indiana. An alert press might even forget to include that as a part of it entirely and only highlight the \$6,674.

Mr. REUBEN JOHNSON. I think that when you see this bulletin here, you will see that. We point out here that the increase in the total investment has been \$49,610 per farm, and if it had been invested in some other kind of venture, it would quite possibly have returned to the investor nearly \$3,500 a year.

In other words, just the increase in his investment, if it had been invested somewhere else, would have brought him \$3,500 a year.

So the whole story is outlined here in this booklet.

Mr. HARVEY of Indiana. I am not quarreling with that at all. In fact, I am trying to say to you that in this statement here you have presented to us, you have left a misimpression which could be rather unfortunately interpreted in the press reports of your statement, and I am very hopeful that the press will not go out with such a statement, to hit the headlines and to say that the average midwestern grain farmer is making \$6,674 a year.

Mr. REUBEN JOHNSON. You have an excellent point, Mr. Harvey. We will try to go into that. We tried to keep our statement brief. We have these with us, and with the chairman's permission, I will be

very happy to check this and bring out exactly what you are trying to get and put it in the record.

Mr. HARVEY of Indiana. Thank you very much.

(The information follows:)

If net cash income had kept pace with investment, as is normal to expect in other business ventures, the average farmer could have expected a net cash income of approximately \$15,000 by 1961.

Mr. POAGE. Will you yield there?

Mr. HARVEY of Indiana. Yes.

Mr. POAGE. Let me point this out, on the investment question, that if you take the interest and figure it on the investment here, which was \$107,000, it would be quite a sizable amount.

Mr. REUBEN JOHNSON. That is right.

Mr. POAGE. And I do not think that anybody gets money for less than 5 percent—I am paying more—probably we are not as good a risk as somebody else. And that would be \$5,492 interest on the investment, and that only leaves \$1,182 for his pay, or with which to pay wages.

Mr. HARVEY of Indiana. That is exactly what I am driving at, Mr. Chairman. It is not quite fair just to say that the farmer gets \$6,674. It has to be clarified that part of the amount is for interest and part of it is for his labor.

Mr. POAGE. I know what you are saying. I think it is quite clear that he pays the interest on this investment, too. And 5 percent of \$5,492, that only leaves \$1,182 for all of the wages.

Mr. HARVEY of Indiana. That figure is not too far off on the average farm right now.

Mr. REUBEN JOHNSON. Yes.

Mr. HARVEY of Indiana. That is all.

Mr. POAGE. Mr. Dole?

Mr. DOLE. As to the cost of your program, would it exceed the cost of the present program?

Mr. REUBEN JOHNSON. Yes, it would by a small amount.

Mr. DOLE. How much?

Mr. REUBEN JOHNSON. We have the cost figures here. We figured the cost of this program had about 60 percent of the base acres which would be involved in the reduction program and we calculated on the basis of 100 percent of parity return, and it worked out to a cost of \$1,257 million.

Mr. DOLE. Compared to a cost of—

Mr. REUBEN JOHNSON. The cost of the program last year was approximately \$950 million and I think the cost of the program this year may be somewhat less.

Mr. DOLE. Do you think that with the deficit that we are facing that it is a responsible position to come here with a program asking for additional expenditures of \$350 million?

Mr. REUBEN JOHNSON. Yes. I think we are being responsible because I think as the colloquy between the chairman and Mr. Harvey showed, that a farm in the Corn Belt that had \$107,000 investment shows the problem we have of trying to get adequate return.

And because of that, I do not feel badly about coming before this committee and asking for a feed grain program that costs \$1,257 million.

I am kind of ashamed that we could not figure out a way to bring more to him, because I think that the farmers are entitled to more returns.

Mr. DOLE. You do not care what the deficit is so long as your members are satisfied?

Mr. REUBEN JOHNSON. I do not think——

Mr. DOLE. They are taxpayers, too, you know.

Mr. REUBEN JOHNSON. I do not think that the farmers are budget conscious, as a lot of people think they are. Particularly where their pocketbooks are concerned. And I am not sure that they should be, as citizens of the United States.

Mr. DOLE. Let me state that I think that they should be. They have still to bring up their grandchildren. I do not feel that if we advocate programs which will produce a deficit of many million dollars, we are properly representing the people.

Mr. REUBEN JOHNSON. I do not think this would be a deficit. I think that Mr. Patton's statement has tried to point out that one of the finest things you can do to stimulate the economic growth is to put some income into the pockets of the farmers. I think it would go back into circulation immediately and it would stimulate the economy to grow faster, to put more people to work.

Mr. DOLE. Are you proposing the substitution clause in your program?

Mr. REUBEN JOHNSON. Mr. Dole, you correct me if I am wrong on this, but it is our understanding that the wheat program as it was passed by the Congress last year does authorize land for feed wheat grain acres, if there is a program of some kind, for feed grains in 1964.

We are very much in favor of that. We sent Congress a number of communications last year pointing out that the mandatory program we supported would have provided a provision whereby this exchange, this flexibility, would be possible between wheat and feed grains on both sides.

Mr. DOLE. Is it proper to assume from your statement that you have abandoned the word "mandatory"—is it proper to assume that from your statement?

Mr. REUBEN JOHNSON. We have not abandoned it. We tried to get Congress to accept the mandatory program. However we live in a world in which you have to be practical, and you have to be a realist. And I think that we are trying to be a realist this morning.

Mr. DOLE. You say even though the 1958 law has been repealed you had information last year that there would be some new feed grain legislation this year—what about the wheat referendum, if it fails?

Mr. REUBEN JOHNSON. We do not expect that the wheat referendum will fail.

Mr. DOLE. Do you have a plan for feed grains?

Mr. REUBEN JOHNSON. We have a plan for feed grains.

Mr. DOLE. And for wheat?

Mr. REUBEN JOHNSON. For wheat if it fails?

Mr. DOLE. If it fails?

Mr. REUBEN JOHNSON. We do not have a plan at the moment, but we are not anticipating that we are going to lose it.

Mr. DOLE. I am not trying to determine if you had advance word on a wheat program, that is not the question. But would your organization be willing to submit a plan if it did fail?

Mr. REUBEN JOHNSON. Mr. Dole, I think that this is a policy question for our board to decide. I know that Mr. Patton would have an immediate meeting of our board and we would try to regroup and decide what to do. At this time we have no decision that we can report.

Mr. DOLE. As a matter of information, have the leaders of your organization ever opposed any program Mr. Freeman advocated?

Mr. PATTON. I have not always advocated what Mr. Freeman has said. I think that he is a very fine Secretary of Agriculture. I certainly intend to support him in anything I can, because I think he is doing a very fine job. I have expressed my disapproval of some of the things that he has come out with. I certainly expressed my disapproval of that leak from the Department of Agriculture when they talked about moving a lot of farmers off of the land. I did not assess that to Mr. Freeman. But later the same kind of thing came out from the CED report.

And as I say, I have not always agreed with everything that has come out from within the Department. I said so in a friendly word to Mr. Freeman. But I still want to make the record very clear that we think he is doing a very fine job and is a great Secretary of Agriculture.

Mr. REUBEN JOHNSON. Mr. Dole, I think that Mr. Patton made a statement here today that covers this, but if you want another example, we support the program for cotton, which I understand that a number of the members on this side of the aisle did not support either.

Mr. POAGE. Thank you, Mr. Dole.

If there are no further questions, we are very much obliged to you, Mr. Patton and Mr. Johnson. We appreciate your attendance.

Mr. PATTON. Thank you very much. And I want to express our appreciation to the members of this committee for the hard work you do, and the fairness with which you try to treat agriculture.

Mr. POAGE. Mr. Jones.

Mr. JONES of Missouri. I was going to request that if you could, to have Mr. Carpenter next. Mr. Carpenter is here representing Mr. Heinkel. He is trying to get a plane out of the city at 12 o'clock. His statement is very short. I would appreciate it if you could hear him at this time.

Mr. POAGE. Mr. Shuman, would you wait for him to present his statement?

Mr. SHUMAN. Yes.

Mr. POAGE. Mr. Shuman does not object, and we will be delighted to hear you now, Mr. Carpenter.

Mr. JONES of Missouri. I would like to say that Mr. Carpenter is representing Mr. Fred Heinkel, who is president of the Missouri Farmers Association. Mr. Heinkel is also Chairman of the first National Feed Grains Advisory Committee appointed by the Secretary of Agriculture. And of course he has been quite active. He is president of the Missouri Farmers Association which has some 160,000 members in Missouri. I think he is quite representative of the farmers.

Mr. Heinkel was unable to be here today and his statement will be given by Mr. Carpenter, of the Missouri Farmers Association. Mr. Carpenter is the former commissioner of agriculture in the State of Missouri. He is a former director of the Farmers Home Administra-

tion in Missouri, and for the past 30 years has been intimately and actively connected with farmer organizations and is a practical farmer himself.

I appreciate very much the opportunity of having him appear here. I appreciate the chairman having him appear at this time in order for him to catch a plane.

Mr. POAGE. We will be glad to hear from you now, Mr. Carpenter. Proceed, sir.

STATEMENT PRESENTED BY L. C. CARPENTER, DIRECTOR OF PUBLIC AFFAIRS, MISSOURI FARMERS ASSOCIATION, ON BEHALF OF FRED V. HEINKEL

Mr. CARPENTER (reading):

Mr. Chairman and members of the committee, my name is Fred Heinkel. I am president of the Missouri Farmers Association with headquarters at Columbia, Mo. It is always gratifying to me, Mr. Chairman, to be invited to appear before this important and distinguished committee to support constructive and worthwhile legislation designed to preserve and improve the income of farmers.

I appear here today in support of H.R. 3874, introduced by Congressman Poage. I take a particular pride in supporting this legislation, since I have had the pleasure and responsibility of serving as the Chairman of the National Feed Grains Advisory Committee since its inception. This Committee, Mr. Chairman, is composed of capable and practical persons whose farming experience qualifies them to make truly worthwhile recommendations on legislation to benefit farmers and the public.

We met in Washington in December 1962 and recommended to Secretary Freeman that, based on farmers' acceptance of the 1961 and 1962 feed grains program, coupled with the very desirable results being attained, legislation should be enacted to continue this program.

With your permission, may I reminisce just a bit? In early 1961 Secretary Freeman appointed the original Feed Grains Committee, of which I served as Chairman. We met only for a day and a half and by unanimous vote recommended to you the principles contained in the Emergency Feed Grains Act of 1961. Within 60 days you had enacted these recommendations into law. This program met with farmers' acceptance as evidenced by the fact that, although Missouri is commonly known as the "Show Me State," 82,698 feed grain farmers, nearly 60 percent of the total, signed up to participate.

Net results nationwide were similar and resulted, along with some increases in soybeans and dairy supports, in \$1 billion increase in net income to farmers. At the same time the surplus carryover of feed grains was reduced from 85 to 71 million tons. This likewise resulted in reduced costs to the Federal Government for storage and handling of these surplus commodities.

In 1962 our committee recommended the 1961 act be extended another year. Your committee and the National Congress accepted this recommendation. The results were almost identical in Missouri—82,772 signed their intentions to participate, a slight increase. Those participating maintained their income as in 1961, while at the same time the surplus feed grains carryover was further reduced. It should be down to approximately 57 million tons by October 1, 1963. Again there is the corresponding reduction in storage and handling costs to the Federal Government.

Gentlemen, the old adage that nothing succeeds like success is certainly true in this instance, as evidenced by the enviable record attained. The 1963 feed grains program, which was adopted in the waning hours of the 87th Congress, is similar in principle to the 1961 and 1962 programs, except for the inclusion of compensatory payments. The feed grains problem, which was a tremendous burden to farmers and the Federal Government only 3 short years ago, is probably on the verge of solution. This legislation now will enable us to maintain this position to the benefit of farmers, consumers, and the general public. This will reduce the tremendous waste of our resources, human and material, in producing these agricultural products. As I have pointed out to you before in previous testimony, it is virtually impossible for farmers acting alone and as individuals to accomplish this worthy objective.

These programs, as I have outlined above, have actually served to rescue thousands of farmers from financial chaos. If we fail to pass this legislation, which permits the continuation of these programs, we will revert back to an unworkable, unrealistic price-support program. This will mean unlimited production, mounting farm surpluses, disastrously low prices, and rapidly dwindling farm income. With the enactment into law of this bill, the provisions of H.R. 3974, coupled with an effective supply management program on wheat, can lead to a sound and prosperous agriculture.

Diverted acres from the wheat and feed grains programs will not be lost for useful purposes with the tremendous demand for recreational areas, soil conservation, and varied and sundry other useful constructive purposes.

In conclusion, the feed grains programs over the past 2 years, and probably for 1963 as well, have served to bring the supply more in line with actual needs, has improved farm income, has stabilized livestock and poultry prices, and reduced the cost to the Federal Government. It is unthinkable that such a worthy program should not be continued in the future. We sincerely urge the favorable action of this committee on this bill.

May I again express my appreciation to you for this opportunity of appearing here on behalf of over 160,000 Missouri farmers to present our views on this important subject.

Mr. POAGE. Thank you very much, Mr. Carpenter.

Go ahead and catch your plane.

Mr. CARPENTER. Thank you very much, Mr. Chairman.

Mr. POAGE. I would like to read into the record a letter that I have just received from the master of the National Grange, addressed to myself, which reads as follows:

FEBRUARY 28, 1963.

Hon. W. R. POAGE,
Chairman, Subcommittee on Livestock and Feed Grains,
Committee on Agriculture,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The Grange has consistently urged and supported programs designed to bring about a better balance of supplies with demand and to obtain a reduction in Government stocks of feed grains. We supported the emergency feed grain programs for 1961 and 1962 as temporary measures to meet an acute problem. In the light of the progress which was made under these measures, we also supported the legislation covering the 1963 crop of feed grains, recognizing that it contained provisions and objectives substantially similar to those of the program which was developed by the National Grange Feed Grains Advisory Committee in 1958.

The present indications are that the 1963 program will show further progress toward achievement of the goals which we have all been seeking. In the light of this progress, we believe it is unthinkable that there should not be further legislation authorizing the continuation of efforts to solve the feed grains problem without depressing farm income.

We believe that H.R. 3874 is designed to accomplish this objective. However, we have some reservations as to whether the experience to date warrants the conclusion that the time has come to enact permanent feed grains legislation, and therefore recommend that this subcommittee consider whether it may not be more desirable to limit the program to the 1964 crop.

Respectfully yours,

HERSCHEL D. NEWSOM, *Master.*

Mr. POAGE. We will now be delighted to hear from Mr. Charles B. Shuman, president of the American Farm Bureau Federation. Mr. Shuman has with him, I believe, Mr. Randolph, Mr. Hamilton, and Mr. Lynn.

We are delighted to have all of you gentlemen here, and we will be glad to have Mr. Shuman present the statement and have any of you participate who desire to do so.

STATEMENT OF CHARLES B. SHUMAN, PRESIDENT, AMERICAN FARM BUREAU FEDERATION; ACCOMPANIED BY WALTER L. RANDOLPH, VICE PRESIDENT; W. E. HAMILTON, DIRECTOR OF RESEARCH; AND JOHN C. LYNN, LEGISLATIVE DIRECTOR, AMERICAN FARM BUREAU FEDERATION

Mr. SHUMAN. Mr. Chairman and gentlemen of the committee, we appreciate the opportunity to discuss the operation and results of the 1961 and 1962 feed grain programs. We also would like to comment briefly on the 1963 feed grain program and its implications. Finally, we would like to discuss with this committee a course of action which we believe would be wise and best for farmers.

Before we get into a detailed discussion of the feed grain program, we would like to urge strongly that this committee delay any decision on the type of feed grain program to be in effect after 1963, until (1) the signup under the 1963 feed grain program has been completed and announced, and (2) the multiple-price wheat referendum has been held and the result is known.

Our reasons for asking this committee to delay any decision on a feed grain program are:

(1) Most feed grains are spring planted. There will be ample time, after wheat referendum, for action by Congress on a future program for feed grains.

(2) The signup for the 1963 feed grain program will continue until at least March 22 (or later if the time is extended). No one knows until then what feed grain producer reaction will be to the 1963 compensatory payment program.

(3) If the complicated, restrictive, multiple-price wheat program is approved in the upcoming referendum, one set of circumstances will prevail. On the other hand, if it is voted down, this will create substantially different conditions for wheat, feed grain, and livestock producers. If this happens, this committee and the Congress would then most certainly want to reanalyze the entire wheat, feed grain, and livestock problem in order to do justice to all producers. This committee should not tie its own hands by acting prematurely, without having all the facts necessary for sound judgment.

You are well aware of the fact that Farm Bureau has a membership of over 1,607,000 farm families in 49 States and Puerto Rico. Most of our members produce feed grains and livestock although many, of course, have a larger economic stake in other commodities. A large number produce wheat and feed grains. Our members strongly believe that feed grain and wheat legislation are closely related and that both affect livestock production and prices. We strongly believe that any future programs for feed grains and wheat should be considered together.

Results of 1961 and 1962 feed grain programs: The administration claims that the so-called emergency feed grain program has been a great success, since the buildup in supplies has been halted and some progress has been made in reducing carryover stocks. What are the facts?

Fact No. 1: A sizable majority of the eligible producers gave the program a "no confidence" vote by staying out, both in 1961 and 1962.

In 1961 only 42 percent of the farmers with corn and grain sorghum bases signed program contracts. In 1962 contracts were signed by 44 percent of the producers with corn and grain sorghum bases and 29 percent of those with barley bases.

Fact No. 2: The acreage that was diverted under the program did not result in a corresponding reduction in feed grain plantings.

In 1961 the Government contracted for approximately 4 acres for each 3 acres by which corn and grain sorghum plantings were reduced from the 1959-60 base. In 1962 it contracted for approximately 5 acres for each 3½ acres by which corn, grain sorghums, and barley were reduced from the 1959-60 base.

In 1959-60 the total acreage planted to the four principal feed grains averaged 151.3 million acres.

In 1961 farmers planted 129.3 million acres to feed grains and were paid for diverting 26.7 million acres. Thus, the total of 156 million acres planted to diverted in 1961 was 4.7 million acres greater than 1959-60 plantings.

In 1962 farmers planted 125.9 million acres to feed grains and were paid for diverting 32.7 million acres. Thus, the total planted plus the acreage diverted rose to 158.6 million acres, or 7.3 million acres more than the average acreage planted in 1959-60.

The increase in "feed grain acreage"—including diverted acreage—under the program reflects increased plantings by nonparticipating farmers and adjustments in the base acreage of participating producers.

Fact No. 3: The production of feed grains was reduced less than the reduction in acreage planted because yields increased.

Apologists for the program have attributed most of the 1961 increase in yields to "weather." But yields rose again in 1962. Per-acre corn yields averaged 53.8 bushels in 1959-60, and rose to 62 bushels in 1961 and 64.1 bushels in 1962.

In 1961, compared with the base period 1959-60, the acreage devoted to four feed grains was reduced 14.5 percent and the production of four feed grains—total tonnage basis—was reduced 7.9 percent.

In 1962, as compared with the 1959-60 base, the acreage devoted to four feed grains was reduced 16.8 percent and the production of four feed grains was reduced 6.2 percent.

Fact No. 4: The reduction in feed grain stocks has been due almost entirely to increased utilization and not to the Government program.

At the beginning of the 1961 marketing year feed grain stocks totaled a record 84.7 million tons.

By the beginning of the current marketing year stocks had been reduced to 71.8 million tons. Only a very small part of this reduction of 12.9 million tons can be attributed to the feed grain program.

The production of feed grains was reduced 15 million tons in 1961, but barley and oats—which were not included in the 1961 program—accounted for 3.1 million tons of this reduction.

One of the most significant factors in the feed grain situation is the increase in utilization which has been occurring. Domestic consumption and exports of feed grains increased 8.1 million tons in the marketing year 1961—as compared with 1960.

To summarize, under the 1961 program, stocks were reduced 12.9 million tons, but if there had been no increase in utilization and no reduction in the production of feed grains not covered by the 1961

program, the reduction in carryover would have been less than 2 million tons.

It now appears that stocks will be reduced 10.8 million tons—from 71.8 to 61 million—during the 1962 marketing year. This reduction is almost entirely accounted for by increased utilization and a reduction in the production of oats. As compared with 1961, total production of feed grains increased 2.5 million tons—from 140.6 million tons to 143.1 million tons—and exports are expected to decline by about 1.7 million tons this year.

By the fall of 1963, feed grain stocks will have been reduced by a total of approximately 23.7 million tons from the 1961 level. But if there had been no increase in utilization and no reduction in production of crops not under the program, the total reduction in stocks would be only a little over 2 million tons.

I am submitting herewith table 1, which gives the breakdown of those figures.

Mr. POAGE. That will be made a part of your statement at the conclusion of the statement.

Mr. SHUMAN. Thus 90 percent of the reduction in feed grain carry-over was due to factors other than the effect of the emergency program.

Fact No. 5: The total direct cost—\$1.7 billion—of the 1961 and 1962 feed grain programs cannot be justified by what has actually been accomplished under these programs. And table 2 gives the breakdown of the costs.

Mr. POAGE. That will be made a part of your statement at the conclusion of the statement.

Mr. SHUMAN. Market prices depressed: Early in 1961, when this committee was discussing the 1961 feed grain program we spoke out against one of its most disturbing features. We called this "the obvious threat to use the Government's huge surplus stocks to beat down the market price of feed grains." We denounced this proposal as a "brandnew and fallacious concept." We continued to oppose the dumping of CCC feed grain stocks during the 1962 program. We have continually pointed out that this use of CCC stocks is bad for our market system for grain and that it severely penalizes producers who want to sell their feed grains on the market.

As we have already pointed out, considerably more than 50 percent of all feed grain producers stayed out of the feed grain program in 1961 and in 1962. Dumping CCC feed grains on the market held down their market price and, of course, lowered their incomes.

We also pointed out early in 1961 that dumping feed grain stocks onto the market would ultimately adversely affect poultry, dairy, and livestock production and prices for these commodities.

Let us review briefly what has happened in this regard.

Poultry and dairy production have continued above what they would have been if CCC stocks of feed grains had not been dumped. Prices of both these commodities have been depressed because of this unwise action.

Numbers of hogs coming to market and cattle on feed and being marketed are also up considerably. Hog prices are down, and top cattle prices have taken one of the sharpest drops in history—over \$7 per hundredweight since last fall. This, too, has been caused in part by the dumping of CCC stocks of feed grain.

We realize that some persons have supported the feed grain program on the ground that it has been an effective way of pouring free money from Washington into the feed grain areas. But what is happening currently to livestock, dairy, and poultry prices would indicate a loss in income to feed grain, poultry, dairy, hog, and cattle producers of several times the payments made to feed grain growers under the 1961 and 1962 programs.

We have attached as a last page, two graphs which give the price situation for cattle and hogs and what has happened in the last several months.

Mr. POAGE. That will be made a part of the record at the conclusion of your statement.

Mr. SHUMAN. 1963 feed grain program: As we stated previously, it is too early to determine the reaction of feed grain producers to the 1963 program and the results that can be anticipated from its operation. The signup period has several weeks to run.

The 1963 program has most of the bad features of the 1961 and 1962 programs and, in addition, contains a provision for Brannan-type compensatory payments. Since payments are to be made on the normal yield of planted acres, they encourage producers to participate on a minimum basis and to divert their poorest acres.

As members of this committee know, we are opposed to the compensatory payment concept. Our reasons for opposing payments are spelled out in our 1963 policies as adopted by the voting delegates of the member State Farm Bureau as follows:

Compensatory payments are proposed in a variety of forms. Regardless of the form in which presented, the payment approach is unsound and dangerous to our economic and political system. It would be fantastically expensive and would stimulate production, increase unit costs, depress market prices, lead to tight production controls, and make farmers dependent on congressional appropriations for a substantial part of their total income.

Limitations on payments to individuals would place a ceiling on opportunity and level farm incomes downward.

Payment programs would socialize the production and distribution of food and fiber by having consumers pay a part of the cost through taxes—rather than full value at the store. This is a trap for producers. Ultimately, the payment approach also would be a trap for consumers, since it would encourage inefficiency and thereby result in high real costs of food and fiber.

We vigorously oppose any system of compensatory payments for agriculture.

In summary, we strongly urge this committee to delay any further action on a feed grain program until after the multiple-price wheat referendum. If the wheat referendum carries, there still will be ample time to consider and adopt a feed grain program for 1964. If the wheat referendum does not carry—which we think more likely—then by all means this committee and the Congress should consider wheat and feed grains together.

Finally, we have pointed out why we believe the 1961, 1962, and 1963 feed grain programs have not, and will not, solve the basic problem in feed grain and livestock agriculture. There is urgent need for a more effective, less costly, and less disruptive program. We pledge our support in helping to develop such a program when the results of the wheat referendum are known.

(Table Nos. 1 and 2, and the two graphs, follow:)

TABLE I.—*Factors in the reduction of feed grain stocks*

[In million tons]

| | 1961 | 1962 | Total |
|---|-------|-------|-------|
| Reduction in production from 1960 of crops covered by program: | | | |
| Corn..... | 7.9 | 7.4 | 15.3 |
| Grain sorghum..... | 4.0 | 3.1 | 7.1 |
| Barley..... | | 0 | 0 |
| Total..... | 11.9 | 10.5 | 22.4 |
| Reduction in production from 1960 of crops not covered by program: | | | |
| Barley..... | .8 | | .8 |
| Oats..... | 2.3 | 2.0 | 4.3 |
| Total..... | 3.1 | 2.0 | 5.1 |
| Increase in utilization from 1960 marketing year..... | 8.1 | 8.3 | 16.4 |
| Net effect of reduction in production of crops not covered by program and increase in utilization on carryover..... | -11.2 | -10.3 | -21.5 |
| Total reduction in carryover..... | 12.9 | 10.8 | 23.7 |
| Reduction in carryover due to feed grain program..... | 1.7 | .5 | 2.2 |

NOTE.—It may be argued that the carryover would have increased if there had been no feed grain program. The point, however, is that the program has done little except to stop the buildup. The reduction in accumulated stocks is almost entirely due to increased utilization and reduced production of feed crops not covered by the program.

The total direct costs of our 2-year experience with the feed grain program have exceeded \$1.7 billion.

TABLE II.—*Direct costs of the 1961 and 1962 feed grain programs*

[In millions]

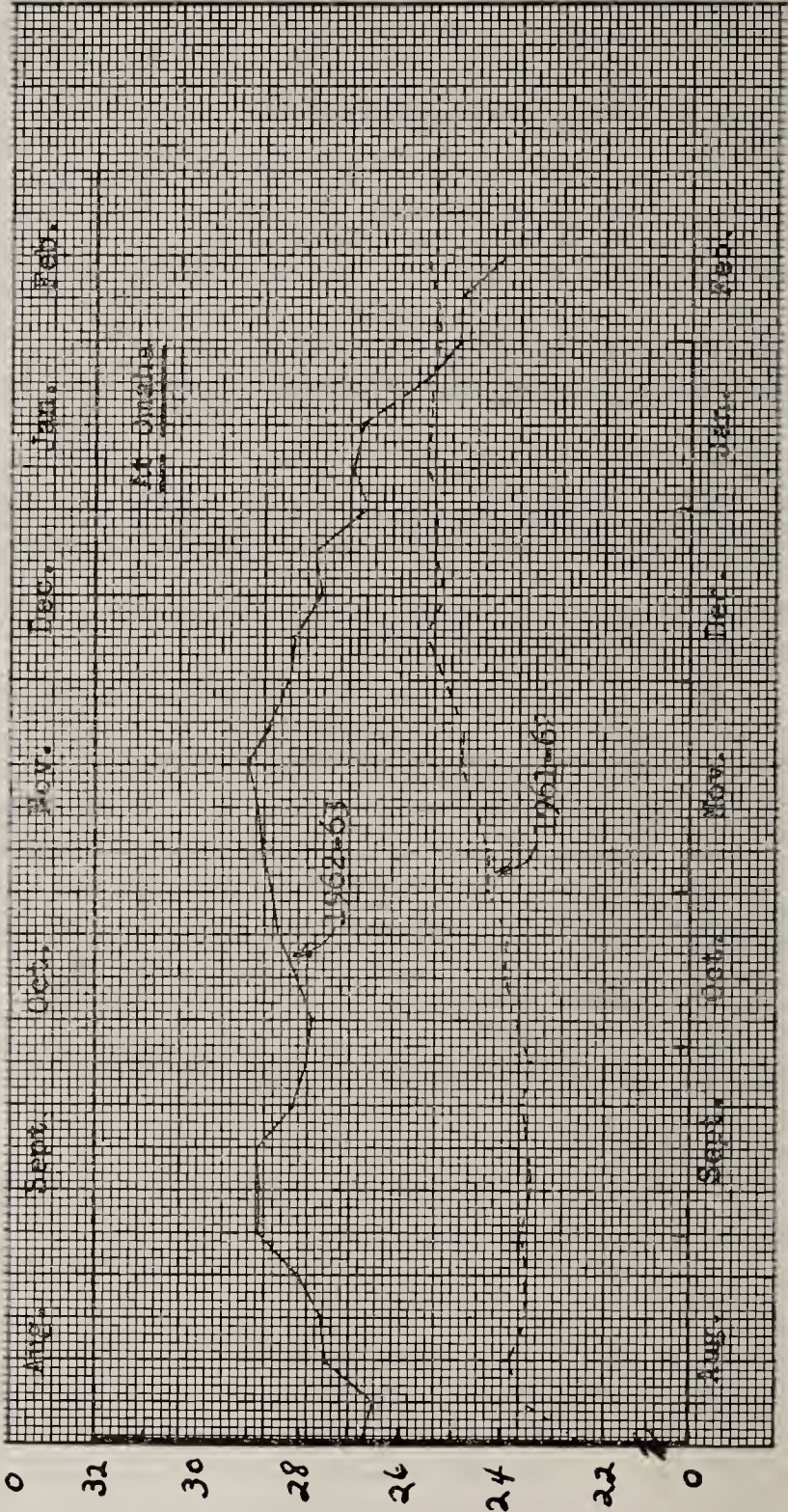
| Payments to— | 1961 | 1962 | Total, 1961 and 1962 |
|------------------------------|-------|-------|----------------------------|
| Corn producers..... | \$765 | \$854 | \$1,619 |
| Sorghum producers..... | | 42 | 42 |
| Barley producers..... | | 1 42 | 84 |
| Administrative expenses..... | 42 | | |
| Total..... | 807 | 938 | 1,745 |

¹ Assumed to be the same as for 1961.

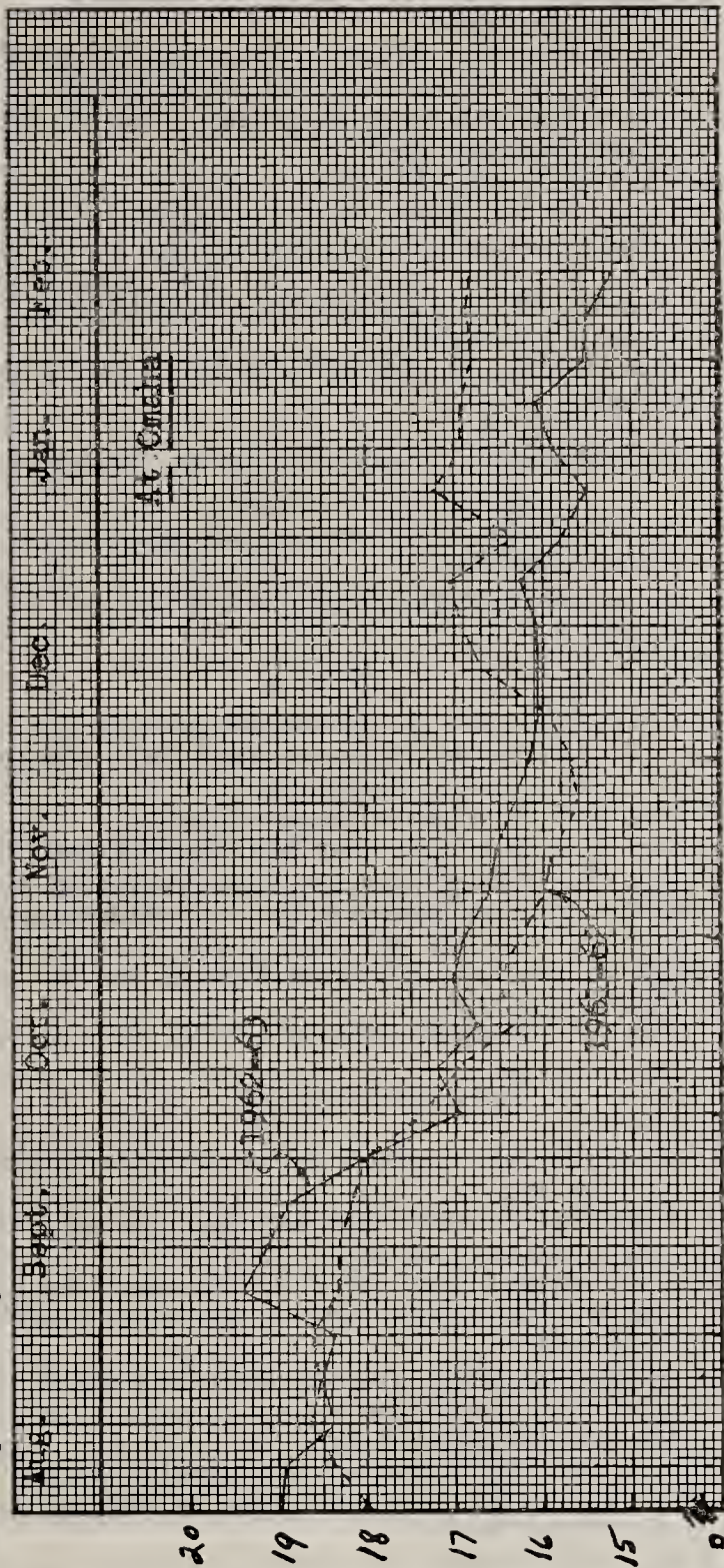
NOTE.—Indirect costs resulting from the policy of dumping Commodity Credit Corporation grain to enslave nonparticipants will add \$200,000,000 or more to the total cost of the 1961 and 1962 programs.

Average Price of Choice Steers Sold Out of First Hands for Slaughter (Week ending Thursday)

Dollars per 100 pounds



Average Cost of Barrows and Gilts (Week ending Saturday)
Dollars per 100 pounds



Mr. POAGE. Thank you very much, Mr. Shuman.

Are there any questions?

Mr. JONES of Missouri. What is the position of the Farm Bureau relative to the wheat referendum which is coming up?

Mr. SHUMAN. We have taken the position that the wheat farmers, when they learn the facts——

Mr. JONES of Missouri. What?

Mr. SHUMAN. In our annual meeting in Atlanta, Ga., the delegates there said that we should do everything that we could to get the information to the wheat farmers, and that when they learn the information they will have the privilege of voting "no." So we are against the wheat referendum.

Mr. JONES of Missouri. You are, in other words, hoping that it will be defeated?

Mr. SHUMAN. Yes, sir.

Mr. JONES of Missouri. I noticed on the last page of your statement you say:

As members of this committee know, we are opposed to the compensatory payment concept for agriculture.

Does that indicate that you might favor it for some other segments of the economy?

Mr. SHUMAN. No, sir.

Mr. JONES of Missouri. You do not?

Mr. SHUMAN. However, in the section here we are dealing with agricultural legislation at this time. It could very well apply to others.

Mr. JONES of Missouri. Thank you.

Mr. POAGE. Are there any other questions?

Mr. SHORT. I want to comment Mr. Shuman and the American Farm Bureau for putting together these interesting and valuable facts which deal with the results of the 1961-62 feed grain programs which I think are valuable information that need to be taken into consideration in whatever Congress does in the way of enacting future feed grain legislation.

Mr. OLSON. Mr. Shuman, what would be your recommendation for the wheat program?

Mr. SHUMAN. For the wheat program?

Mr. OLSON. Yes.

Mr. SHUMAN. We have spelled out in our policies specific recommendations. We say:

"First, beginning with the 1964 crop year, wheat allotments and marketing quotas be terminated."

"Second, the support price for wheat be set at the higher of the average world price of wheat during the preceding 3 marketing years or 50 percent of parity."

"Third, proper premiums and discounts be applied to the wheat loan rate to reflect supply and demand conditions of milling and baking quality in the marketplace."

And fourth, that the disposal of Commodity Credit Corporation stocks be limited so that they could not be sold for less than 115 percent of the support level.

And fifth, that we favor a cropland retirement program which would, in effect, take off many acres of cropland.

Mr. OLSON. You are presently advising farmers of what the program that they are voting on contains, and at the same time giving

them all of the facts and proposing your program as an alternative to that?

Mr. SHUMAN. Yes.

Mr. OLSON. Thank you.

Mr. POAGE. Mr. Findley.

Mr. FINDLEY. Mr. Shuman, I would like to know if your organization has made any estimates of the cost of the feed grain proposal that the chairman has introduced, and if so, could you give us a summary or supply it for the record?

Mr. SHUMAN. No, sir, we have not made an estimate of the cost of the proposed legislation.

However, it gives such great discretion to the Secretary that undoubtedly it would be higher than the direct cost of the 1961-62 feed grain programs which we have laid out on page 6, and that shows that the total direct cost in 1961 was over \$800 million and in 1963, well over \$900 million, and this does not include the \$200 million more which results from the dumping of feed grain stocks and the penalization of farmers or the losses involved there.

So we think it would be in excess of the cost of the 1962 program.

Mr. FINDLEY. Mr. Shuman, do you anticipate that it would be substantially in excess of the 1961-62 program?

Mr. SHUMAN. Well, of course, it would depend upon how it is administered, but I would say yes, that I think it would be substantially in excess of it.

Mr. FINDLEY. Would you care to put in a dollar estimate, or could you supply such a dollar estimate for the record?

Mr. SHUMAN. I do not think that we can anticipate how it would be administered. I think that we could supply an estimate but I do not know that it would be of great value.

Mr. FINDLEY. Mr. Shuman, I am interested in the analysis on page 4. Based on the analysis you presented on the 1961 feed grain program, I have estimated that had there had been no increase in utilization the carryover would have been less than 2 million tons.

That would mean that the cost of this program expressed on a bushelage basis, in terms of corn equivalent, would be over \$7 for each 1 bushel reduction in that carryover.

Is that a fair conclusion to draw from that?

Mr. SHUMAN. Well, I think so. In fact, our figures here—our analysis is very conservative, because we have not included in our figures, in our statement, the increase in production effect on soybeans of the feed grains program, and 85 percent of the increased production of soybeans in 1961 and 1962 went into livestock feed.

And if you would include the effect of the feed grain program on the livestock production and the feed grain equivalent, you would find that instead of it being whatever we have here—of whatever the reduction was in production of feed grains—which is only about 4 percent in 1961 and in 1962, the production of all feed grains, including the soybean equivalent, went up 2 percent of the 1961 production.

Mr. FINDLEY. I noticed at the top of the page, or nearly the top of the page, that you referred to 12.9 million tons reduction—let me see.

Mr. HAMILTON. In the middle of the page.

Mr. FINDLEY. The stocks had been reduced to 71.8 million tons and only a very small part of this reduction of 12.9 million tons can be attributed to the feed grain program.

Even if we assumed—and I think unsoundly—that all of the 12.9 million tons reduction was the result of the feed grain program, by my estimate that means that the entire market value of this grain, these 12.9 million tons of feed grain, was spent in achieving this reduction.

Mr. SHUMAN. That is correct.

Mr. FINDLEY. Thank you, Mr. Chairman.

Mr. SHUMAN. I think that is worth commenting, Mr. Chairman, if I may, that the effect of the feed grain program was almost insignificant on the production of feed grains, but the effect upon the livestock economy has been disastrous, and these charts show what happened to the prices of hogs and cattle in the last 6 months. The average price of cattle is down about \$5 a hundred and the average price of hogs is down about \$4 a hundred.

Some can say rightly that the feed grain program does not deserve all of the blame. And I would not say that it deserves all of the blame. But if the administration is going to take credit to the feed grain program for the reduction in the carryover as they have been doing, they must also admit that much of the blame for increased livestock, dairy, and poultry production is due to the feed grain program. And the feed grain program—that deserves the blame for much of the disastrous collapse in the livestock prices.

Mr. POAGE. How do you explain that?

Mr. SHUMAN. Very easily—it is very easily explained. Under the feed grain program the policy was to establish a higher price support for those who participated, and then the Secretary of Agriculture was authorized and did dump hundreds of millions of bushels of feed grains onto the market to depress the price for the purpose, of course, of penalizing the fellow who did not go along. And it did depress the price of feed grains.

Mr. POAGE. To what level?

Mr. SHUMAN. Well the price at country points in the Midwest was around \$1 to \$1.05 a bushel, and other feed grains comparably. And so the price was depressed by the feed grain program and the administration of it. And this encouraged excessive livestock feeding.

Mr. POAGE. Do I understand you to say that it depressed it so badly that the price of livestock did go down?

Mr. SHUMAN. The previous witness stated, and I would agree, that cheap feed always results in putting stress on the market and brings trouble to the livestock feeder.

Mr. POAGE. To make it plain, so that everybody can understand, "cheap feed makes cheap livestock."

Mr. SHUMAN. Eventually; yes, sir.

Mr. POAGE. I agree with that.

Mr. SHUMAN. That is one area in which we all agree.

Mr. POAGE. That is right.

Mr. SHUMAN. I think that most of us would agree that we have had unusually cheap feed as the result of the feed grain program.

Mr. POAGE. What was corn selling for in 1960, can you tell us?

Mr. SHUMAN. Somewhat higher. I know what I sold corn for in 1960. It was \$1.12 a bushel, and I know what I sold it for last year, which was \$1.05.

Mr. POAGE. I think we had testimony heretofore that it was 80 cents in the State of Iowa, is that not right, Mr. Hoeven?

Mr. HOEVEN. As I recall, some outside corn with high-moisture content sold for about 89 cents.

Mr. POAGE. 89 cents, then. Certainly I recall that this committee had testimony that corn was selling way below \$1 in 1960.

Mr. SHUMAN. At markettime I am sure that we can find examples of corn selling below \$1 in 1959, 1960, 1961, and 1962 in many places in the country. I will be glad to furnish a table showing prices received by farmers for corn for these years.

(The information referred to above follows:)

Corn—Monthly price received by farmers (per bushel)

| | Calendar years | | | | |
|---------------------|----------------|---------|---------|---------|--------|
| | 1959 | 1960 | 1961 | 1962 | 1963 |
| January..... | \$1.02 | \$0.979 | \$0.963 | \$0.951 | \$1.03 |
| February..... | 1.04 | .995 | 1.00 | .956 | 1.06 |
| March..... | 1.06 | .999 | 1.01 | .968 | |
| April..... | 1.13 | 1.05 | .965 | .988 | |
| May..... | 1.15 | 1.07 | 1.02 | 1.03 | |
| June..... | 1.16 | 1.08 | 1.03 | 1.03 | |
| July..... | 1.13 | 1.09 | 1.05 | 1.04 | |
| August..... | 1.13 | 1.07 | 1.04 | 1.02 | |
| September..... | 1.09 | 1.06 | 1.04 | 1.04 | |
| October..... | .990 | .991 | 1.02 | 1.02 | |
| November..... | .982 | .866 | .938 | .938 | |
| December..... | .959 | .911 | .947 | 1.00 | |
| Simple average..... | 1.07 | 1.01 | 1.00 | .998 | |

Mr. POAGE. Had you finished?

Mr. SHUMAN. Yes.

Mr. POAGE. Are there any further questions?

Mr. HARVEY of Indiana. I want to ask you, Mr. Shuman—and I think it is very appropriate to bring it out at this point in your testimony—with regard to the disappearance due to export, do you have information as to what percent of that additional export or even the total export of feed grains was under Public Law 480 and what percent went for cash?

Mr. SHUMAN. I think that we can get this, but overall, approximately 60 percent of agriculture exports have been with some sort of export subsidy, Public Law 480 or other export assistance—approximately 60 percent.

Mr. HARVEY of Indiana. Would you supply that for the record?

Mr. SHUMAN. Yes, we will get the exact figures.

Mr. HARVEY of Indiana. Very well.

(The information requested follows:)

Feed grains: Exports under Government programs and otherwise, fiscal year 1961 and 1962

| | Corn (thousand bushels) | | Grain sorghums (thousand hundredweight) | | Oats (thousand bushels) | | Barley (thousand bushels) | |
|--|-------------------------|---------|---|--------|-------------------------|--------|---------------------------|--------|
| | 1961 | 1962 | 1961 | 1962 | 1961 | 1962 | 1961 | 1962 |
| Public Law 480: | | | | | | | | |
| Title I..... | 17,956 | 27,537 | 10,038 | 4,062 | ----- | ----- | 22,169 | 13,107 |
| Title II..... | 1,948 | 12,650 | 1,241 | 1,791 | ----- | ----- | 17,749 | 3,523 |
| Title III: | | | | | | | | |
| For donation..... | 432 | 814 | | | ----- | ----- | | |
| Barter..... | 25,053 | 43,185 | 8,164 | 18,620 | ----- | ----- | 9,204 | 3,548 |
| Title IV..... | | | | | ----- | ----- | | |
| Public Law 665, sec. 402..... | 4,113 | 1,064 | 44 | ----- | 733 | 557 | 15,185 | 1,299 |
| Total, Government programs..... | 49,502 | 85,250 | 19,487 | 24,473 | 733 | 557 | 54,307 | 21,477 |
| Outside Government programs..... | 211,010 | 304,680 | 66,906 | 61,325 | 26,033 | 18,069 | 28,703 | 60,266 |
| Grand total..... | 260,512 | 389,930 | 86,393 | 85,798 | 26,766 | 18,626 | 83,010 | 81,743 |
| Percent under Government programs..... | 19 | 22 | 22 | 28 | 3 | 3 | 65 | 26 |
| Percent not under Government programs..... | 81 | 78 | 78 | 72 | 97 | 97 | 35 | 74 |

Mr. HARVEY of Indiana. I have one other question. I think this is very importantly tied to this. That is the price of soybeans. We think of soybeans as a cash crop and not as a livestock feed, yet I think that we all understand that the big source of the market for soybeans actually is soybean meal, which is a livestock feed—one of the central ingredients of our livestock ration.

What do you think about the price support level for soybeans? What price do you think it should be, with relation to these other commodities?

Mr. SHUMAN. The price support on soybeans, as the committee knows, was at \$1.85, I believe, prior to 1961, when it was increased to \$2.30. At the time the price support was increased the price on the market was considerably higher, under either the old or the new price support. So there was no justifiable need for the increase in price support at that time.

Last year the price support on soybeans was reduced by 5 cents, to \$2.25, in 1962. Now, the effect of this increase in price supports is to stimulate very strongly the production of soybeans, and that is reflected in the statistics, in the acreage as well as the production.

There was a slight decrease in the production last year, because it was due to the unfavorable season.

The rather startling thing that happened this year in the price of soybeans leads me to suggest that perhaps this committee ought to be interested as to the reason for this speculative increase, because it certainly has not been reflected to the farmers.

The increase came after the harvest season. I am very suspicious, myself, that there has been some kind of manipulation in the soybean market. I have no way of finding out. I have no power to determine whether or not information as to Public Law 480 sales and other things have leaked out, but it is a rather suspicious set of circumstances when the price skyrockets on the basis of Public Law 480 sales and goes across into Europe, after the farmers have sold their soybeans.

So the price support is too high. It is encouraging excessive production. It ought to be brought back to where it was before.

Mr. HARVEY of Indiana. I thank you very much, Mr. Shuman. I think you have presented some very significant factors. However, our time is running out. I will not go further into them, but I did believe that it posed an obligation on our committee to look into this development.

Thank you, Mr. Poage.

Mr. POAGE. I just want to ask about one or two matters. Maybe we can complete this this morning.

Mr. SHUMAN. Thank you.

Mr. POAGE. We will have to have another meeting this afternoon, in any event, because there are other witnesses, but I would like to enable Mr. Shuman to leave this morning, if we can.

Mr. SHUMAN. I have plenty of time.

Mr. POAGE. It seems to me that your figures about what this feed grain program has done do not show up the really important point.

I believe that if we take your figures as to the number of acres that were diverted and the average yield that we would have on those diverted acres, the figures of 1,255 million bushels of feed grain for 1961 and 2,096 million bushels in 1962, which seem to be the figures, that there would be 3,300 million bushels of feed grain produced that was not produced as a result of this program. Of course, I know that you said that there were a good many other things that went into it.

I am sure that is true, but certainly we can say that if you had had the average yield that we have had, that we would have produced a great deal more feed grains than we did, had those acres been planted and had they produced at the same rate. That is true; is it not?

Mr. SHUMAN. Well, no. The answer to that question is "Yes," and "No," because if you accept the idea that the production of the yield per acre would have been the same, the answer, of course, would be "Yes," but this, of course, is almost beyond anybody's ability to accept.

Mr. POAGE. I think that it is true, Mr. Shuman. I agree with that. But how much more do you think we grew on the acres that actually did produce than we would have grown on those acres that were out?

Mr. SHUMAN. That, of course, is in an area of speculation as to what might have been. If there had been no feed grain program, it is my firm conviction that the increase in production per acre would not have increased anywhere near as much.

Secondly, that the acreage devoted to corn or other feed grains would probably not have been much more than it was. And certainly there would not have been the selection of the best yielding acres to the extent that there was under the feed grain program.

I am very much convinced that the price of feed grains and the production of feed grains—I should say the production of feed grains and the price of feed grains would have meant production down and the price up over what it was on the average under the feed grain program.

Of course, this would have averted some of the tremendous losses that the livestock industry suffered. The livestock industry has suffered at least \$1 billion loss in the last 90 days, and a large part of that is due to this feed grain program.

Mr. POAGE. Let us see how that could have happened. Mr. Shuman. I am getting off of this subject. But let us follow this a

moment and see how the livestock industry could have been saved that great loss have we had no program. You say that with no feed grain program we would have grown less than with a program. I think that most people will disagree with you on that.

But that is your conclusion, that if we did not have one, we would have grown less without controls than we do with controls.

That is that controls increased rather than decreased production. Is that your conclusion?

Mr. SHUMAN. The conclusion is that when you increase the price support and apply controls, in the words of Clint Anderson, it is kind of like trying to suck and blow at the same time. You defeat yourself. Very likely the production will go up—at least it would not be expected to decline.

Mr. POAGE. Not per acre, of course. But if I understand correctly you are saying that we produced more feed grains on 129 million acres in 1961 and more on 125 million acres in 1962, than we would have done with unlimited production?

Mr. SHUMAN. Yes, sir. If the market price had been operating, I think we would probably have had less production, but again, this is all in the area of speculation. We do not know.

Mr. POAGE. Why do you say that we would have had less production if the market price had been operating?

Mr. SHUMAN. Because it would not have been known at the time of planting. Much of the cause of the increased production under a price support program is due not because the price support level is too high, but because it is known at the planting time; and therefore, is, in effect, an insurance policy.

Mr. POAGE. Of course, the farmer estimates what he thinks the price will be when he does not have any assurance. He always estimates a high price.

Mr. SHUMAN. No, not necessarily. I think there are about as many estimates on the low side as there are on the high side. And certainly when you come in with a price support known at planting time, they do not have to estimate.

Mr. POAGE. I realize that. I realize that they do not, but they do estimate when the price is not known—they do make an estimate of it in their own mind, and if I know farmers, they always estimate a high price and a good year.

Mr. SHUMAN. Yes, and I think that 50 percent would be on the low side and 50 percent would be on the high side.

Mr. POAGE. You think that it would be about 50-50?

Mr. SHUMAN. I think that the average would be.

Mr. POAGE. You think that the average guess would be just about correct?

Mr. SHUMAN. Yes.

Mr. POAGE. And then the average guess would be what you would actually get with an uncontrolled market and the results should be the same as if the price had been known.

Mr. SHUMAN. Well, it will vary from year to year, but in the last few years I think the average price received by feed grain producers on the market without the feed grain program would have been higher than it has been with it.

Mr. POAGE. You think the price would have been higher, and you think that the production would have been lower?

Mr. SHUMAN. Yes, sir.

Mr. POAGE. With unlimited production. Then why in the world would you suggest that we have any kind of a farm program at all?

Mr. SHUMAN. Our position is that we would move away from controls. We are not for acreage controls.

Mr. POAGE. I know that, but you want a support price with unlimited production.

Mr. SHUMAN. We want it at such a level that it will not result in the accumulation of surpluses.

Mr. POAGE. Why do you want anything, if the free market will give you a higher price—if the free market will give you a higher price, why do you want anything else? If you grow less and get a higher price and make more money without any support, why do you want supports of any kind?

Mr. SHUMAN. I can make a very good case for a price support which is protection against disastrous collapse, because we have had experiences in the past where due to a sudden change in the situation, either by such things as a war demand or an extra large crop, where we have had a tremendous increase or decrease in price, so we can justify a price support which would prevent collapse, rather than one which fixes prices.

Mr. POAGE. Am I right, if I quote you in the future as saying you agree that if farmers would plant less, they probably would get higher prices and make more money without any kind of farm program?

Mr. SHUMAN. No, sir; that is not what I said.

Mr. POAGE. All right. I want to get straight what you did say.

Mr. SHUMAN. I said that in my judgment the farmers who produce the feed grains would have planted and produced less and would have gotten a better price if there had been no feed grain program in the last few years.

Mr. POAGE. All right. Now, I think I understand that. You have confined feed grains to the last 3 years. In your opinion there would have been less feed grains planted and the price would have been higher and the farmers would have made more money?

Mr. SHUMAN. With no feed grain program.

Mr. POAGE. With no feed grain program of any kind?

Mr. SHUMAN. Yes, that is my opinion. I cannot prove it, but nobody can prove me wrong.

Mr. POAGE. It is not my opinion. I think had we had no controls, and had we had these acres planted that were diverted, and I think they would have been planted, it would have produced something over 3 billion more bushels than we actually did produce.

Now, then, I go back to the question of the farm prices of corn. Apparently there is a difference about what the prices were, but apparently the so-called official prices, what we were told were the prices by the Department, was \$1.04 in 1959, that there was a price of 99.7 cents in 1960, a price of \$1.08 in 1961, and a preliminary estimate was \$1.08 for 1962.

Mr. SHUMAN. Mr. Chairman, you know you can get prices from anywhere, from various sources.

Mr. POAGE. That is right.

Mr. SHUMAN. I have here the Feed Situation, I do not have at hand the annual price, but here are some figures which are a little bit different. The average price received by farmers, January 15, 1961,

was 96 cents; 1962, 95 cents. So they were not receiving, the farmers were not receiving any such price as that until this year. It now shows a little increase to \$1.03. This table is on page 17 of the Feed Situation.

Mr. POAGE. In other words, your figures show that the price has gone up a little bit this year?

Mr. SHUMAN. Mostly because there has not been dumping of feed grains by the Commodity Credit Corporation.

Mr. POAGE. Regardless of the reason, the price has gone up?

Mr. SHUMAN. Yes.

Mr. POAGE. The price definitely affects the livestock market, does it not?

Mr. SHUMAN. Yes, of course. The damage has been done, because of the dumping and the price depressing effect of the feed grain program was in the last 2 years, when normally we would have had adjustments in the production cycle of beef and hogs.

This—the effect of this feed grain program—was to delay the normal adjustments, which producers of livestock, cattle and hogs would have made.

Mr. POAGE. Then would you suggest that we should go and buy cattle?

Mr. SHUMAN. I would wait a few days.

Mr. POAGE. Only a few days?

Mr. SHUMAN. I am not going to guess as to where a price will be.

Mr. POAGE. Will the prices go up?

Mr. SHUMAN. I only know that in my own operation we sold cattle on the market about 3 weeks ago, and those same cattle, if we could have had them ready 2 months before, would have brought \$3 or maybe \$4 a hundred more.

Mr. POAGE. I know about that. I take it that last year it was not the feed grain program that brought about this depression in the cattle market. There was some effect on the cattle market, of course, but I think that actually the price of corn has not gone down under the present feed grain program, but on the contrary, it has been higher during the last 2 years than it was during the 2 years preceding.

And that is true whether you take it on the 15th day of January or whether you take it on the average of the year, that is true either way.

Mr. SHUMAN. Mr. Chairman, we will endeavor to find out what the average price of corn was the last 4 years and submit that to you. However, even if the price of corn has averaged higher in the last 2 years, I submit to you that the effect of the feed grain program—and it could not have been more than a few cents one way or another—the effect of feed grain program, because of the certainty of feeders being able to buy the corn at a reduced price, which they had that assurance from the Secretary, plus the fact that the feed grain program at the present time is a very big uncertain factor—the fact that this year they are holding off the sales of surplus stocks has been a very important part of the collapse of the livestock prices.

I would not say all—nobody can say all, but it has been a very important factor in the collapse of the livestock prices of this country, and a billion-dollar loss to the livestock producers in 90 days.

Mr. POAGE. I want to ask you about one other matter. In the very first statement of so-called statement of facts, you state that, "A sizable majority of the eligible producers gave the program a no-confidence vote by staying out, both in 1961 and 1962."

Is it not a fair proposition to say that certainly a great many of those who stayed out, stayed out because they felt that the program was going to carry anyway, and that their vote was not needed?

Mr. SHUMAN. No, this was not in the voting. This was in participation. We had not had a vote on the feed grain program, unfortunately. But we are saying that the no-confidence vote in effect was registered by the fact that only 42 percent participated, and it was by their refusing to participate that it indicates that they did not want it.

Mr. POAGE. Is that not merely an indication that they felt that they could make money on it?

Mr. SHUMAN. I am sure that is correct.

Mr. POAGE. And that they made money on it, is that not correct?

Mr. SHUMAN. That is true in some cases, the feed grain program suited their operation, and in others it did not. And, of course, this is one of the reasons why the feed grain program, one of the reasons that I would cite as to why I do not believe that the feed grain program has any material effect in reducing production or even the carry-over, because only those feed grain producers who were going to do about as was indicated anyway, went along with the program.

So it was not because any sizable change was had in their operations, where it called for that, that they did not go along with it.

Mr. POAGE. I think that is very true. In many cases, that was true. In many cases it was more profitable to stay out.

Mr. SHUMAN. That is correct. We cannot be against that.

Mr. POAGE. I think that there is just one final thing that we ought to get cleared up. You suggest that if we had not had any feed grain program during the last few years that the price of feed grain would have been higher, do you anticipate that would be true the next few years, and do you feel that the price would be higher in the future if we could plant an unlimited acreage of feed grain?

Mr. SHUMAN. Yes, I think that the market price of corn and feed grains will average better when the price is determined by the market than when it is determined by the Department of Agriculture, regardless of who the Administrator is.

Mr. POAGE. Then would you suggest that we have any kind of a program within the next few years?

Mr. SHUMAN. Yes. We favor—

Mr. POAGE. Why, if the price will be better in the next few years without any program, why should we have one?

Mr. SHUMAN. Well, we are not advocating no program, but if we do not have a feed grain program, that is what we were talking about here—

Mr. POAGE. Yes. A feed grain program; that is what I am talking about.

Mr. SHUMAN. If we do not have a feed grain program in the next few years, I anticipate that the price received by the farmers will be better in the next 2 years than it would be if there is a feed grain program. That does not mean to say that we are for no program at all, because we have recommendations for a program and it has been spelled out before this committee, and we will expect to present recommendations for wheat and feed grains after the wheat referendum.

Mr. POAGE. And do you contemplate that your feed grain program would result in prices higher than we had the last 2 years?

Mr. SHUMAN. Yes, sir.

Mr. POAGE. About how high would you say?

Mr. SHUMAN. Well, of course, this is impossible to state.

Mr. POAGE. I know, but if you had the power to fix the price, how high would you suggest?

Mr. SHUMAN. If I had the power to fix the price I would immediately resign and relinquish that power, because I do not believe any human being is capable of determining a price that is right.

Mr. POAGE. Just how high do you want the price of corn to go? You do not want \$2 do you?

Mr. SHUMAN. If I am producing only corn, I am in favor of as high a price as the market will justify. That could be \$2 in one year and it could be \$1 the next year.

Mr. POAGE. It could be 25 cents, too.

Mr. SHUMAN. No; I do not think there is any such possibility in relation to other prices.

Mr. POAGE. You know when they were that low, the market did not justify even that much.

Mr. SHUMAN. And we paid 25 cents an hour labor less.

Mr. POAGE. But the market did not justify 25 cents for corn.

Mr. SHUMAN. That is right.

Mr. POAGE. That is what I say. The market did not justify more than 25 cents.

Mr. SHUMAN. That is true.

Mr. POAGE. So putting a dollar floor there——

Mr. SHUMAN. No, not with the present valuation of the dollar, you do not have to go all the way down, because the purchasing power of the dollar today is not over 50 percent of what it was at one time. So anybody who is talking about a 25-cent price level of the thirties, in 1929 and the 1930 period is talking in terms of today's dollar, of 50 cents or more.

Mr. POAGE. I think that is true. How about \$2 with the present buying level?

Mr. SHUMAN. \$2 corn is the same as dollar corn in the old days.

Mr. POAGE. Dollar corn back in the thirties, yes, but the market at that time would not justify more than 25 cents, would it?

Mr. SHUMAN. Well, the market will change, of course. It depends upon a lot of factors.

Mr. POAGE. Well, I had only hoped that you would give an expression as to what you think the price should be.

Mr. SHUMAN. I do not think so.

Mr. POAGE. You suggest that the prices as they exist, I guess in 1959, which was \$1.04—you objected to that, so that it would be well if we got something more than \$1.08 last year. How much higher do you think we should go?

Mr. SHUMAN. I do not think any human being is capable of answering that and should not attempt to do so. So all I say is that we would have had a better price. We will have a better price if we do not have this kind of a program in effect. And where it will be would depend upon the market.

Mr. POAGE. Thank you.

Mr. SHUMAN. Thank you.

Mr. POAGE. We will have to meet this afternoon. Let us put it this way: We will meet here at 2 o'clock, unless Mr. Cooley is still

speaking, in which event we will meet immediately after the finish of his speech. If that is agreeable, the committee will stand in recess until 2 o'clock this afternoon, gentlemen.

(Whereupon, at 12:25 p.m., the subcommittee recessed, to reconvene at 2 p.m., the same day.)

AFTERNOON SESSION

Mr. POAGE (presiding). The subcommittee will please come to order.

I believe our next witness is Mr. Glen L. Bayne, president of the National Association of Wheat Growers.

We will be glad to hear from you now.

STATEMENT OF GLEN L. BAYNE, PRESIDENT, NATIONAL ASSOCIATION OF WHEAT GROWERS

Mr. BAYNE. Mr. Chairman and members of the committee, my name is Glen L. Bayne. I am a wheat producer and president of the National Association of Wheat Growers.

Mr. Chairman, I appreciate the opportunity to present a brief statement for the National Association of Wheat Growers in support of H.R. 3974, the Feed Grain Act of 1963.

This will extend the successful voluntary feed grain programs of 1963 into the coming years.

Our national convention, meeting last December in Denver, passed the following resolution:

Since most wheat producers are also feed grain producers, we believe an effective land retirement feed grain program will supplement, strengthen, and make the 1964 wheat program more effective for both wheat and feed grains.

We recommend that in any such feed grain control program, either mandatory or voluntary, the legislative language be such that the Secretary shall be directed to establish a feed grain base, on request, on those wheat farms with a feed grain history which, because of soil conservation, climatic conditions, economic conditions, or farm practices, found it necessary under the old wheat program to plant crops other than barley, corn, or grain sorghum or to follow other soil-conserving practices.

We believe this bill meets the requirement of this resolution and we therefore support this legislation.

This will, we believe, fulfill the request of the President of the United States in his farm message of January 31, 1963:

Feed grain legislation should provide for necessary adaptations to meet changes in weather, new international crises, sudden opportunities or strictures in the European Common Market, and other areas of trade and developments in the economy of the United States as a whole. It would enable farmers to make full use of the permanent wheat program by permitting wheatgrowers to produce wheat in lieu of feed grains on feed grain bases. The continued and successful operation of voluntary feed grain programs, in conjunction with the new wheat program, should resolve two of our most difficult commodity programs.

We also believe that the terms of this bill fulfill the suggestion of Secretary Freeman as given in his address January 10, 1963, in Omaha, Nebr.:

Wheat production on feed grain acreage will be authorized—if there is a feed program in effect for 1964. This provision not only will allow wheat to move more freely in the market, but also will provide more flexibility for the farmer in the management of his farm. It will be a major step toward these two goals which all of us share.

We hope that prompt consideration to this bill will be made in Congress as this legislation complements and completes the wheat program on which we vote in referendum late this spring.

Thank you.

Mr. POAGE. Thank you, Mr. Bayne.

Mrs. May.

Mrs. MAY. Mr. Chairman, I do want to ask one or two questions. I would like to direct you to page 6 of Mr. Poage's bill, Mr. Bayne, to line 11. I have been particularly pleased to note, representing both my own wheat area and I am sure that there will be the same pleased reaction from other wheat areas in the Nation, the wording, "the term 'feed grains' means corn, grain sorghums, barley, and, if designated by the Secretary, oats and rye."

I wonder if you might for the record comment on the importance of this flexibility given the Secretary here, and also to comment on one other thing: Would it be better if this was developed on an area basis, and should this be something that the committee should be considering in its work on the bill?

I would like for you to comment on those two areas for the record.

Mr. BAYNE. Yes. We, too, Mrs. May, were very pleased to see this clause included in the bill, as I am sure that the chairman understands, as the rest of you do who are from farm areas, that in using 1959 and 1960 years as the bases for establishing the feed grain base acres, that there have been occasions when many farmers planted either oats or rye, instead of barley, and because of this action would, under the strict interpretation, be denied feed grain base history, whereas actually they were raising feed grains.

This clause, as Mr. Poage has included in his legislative language, would allow the Secretary to determine that these products were raised on feed grain acres, and to determine that they should be feed base acres.

Rye is of particular value in dryland areas, such as my own, because the stubble residue from rye will remain on the land and protect against wind erosion over the summer fallow period, whereas barley will not. And for this reason in the Pacific Northwest and in some areas of the Midwest, rye was used as an alternate crop instead of barley.

I think your suggestion that this be on an area basis is perhaps a good one, because there may be some areas where the other producers would prefer not to be considered within the feed grain program and probably should be given this opportunity.

However, I believe that in the areas where the problem is such as I just described, that the growers would like to make this request of the Secretary and that he should be given this authority.

Mrs. MAY. Mr. Bayne, there is another area of this bill that I direct to your attention, page 7, starting in line 12, and on through there. We have already had discussion about this wording.

Mr. BAYNE. Yes.

Mrs. MAY. I believe it was when the Department witnesses were up here. It does refer to inequities which you have just been talking about, and I wish you would comment here on some of the real needs for this type of wording, as a representative of the wheat feed grain area.

Mr. BAYNE. I think that the discussion with the Department was merely requesting that this language be the same as in the wheat bill, in order to avoid two interpretations.

However, the intent, I think, in both clauses is the same, and that is to give the Department of Agriculture, through the Secretary and his spokesmen, the right to adjust for inequities that would develop because of unusual situations as crop rotations or economic situations developing which caused people to handle their land diverted under the old program in such a way that they would be denied feed grain bases when logically and justly they should be given these feed grain bases.

And this is the reason for the inclusion of this clause, I think.

Mrs. MAY. Would you comment on what I asked of the Department yesterday, whether to provide some kind of guidelines or criteria of what they would have in mind in making the particular exceptions or adjustments?

I think that we might get otherwise to an area where there might be too much flexibility.

Mr. BAYNE. Yes; I think that is a very reasonable request.

Mrs. MAY. One more question, Mr. Chairman.

This, at first, might appear not to be germane to the bill, but I would like to ask it of Mr. Bayne because he does know our part of the country and the special problems it has because of its topography and temperature as a summer fallow region. I should like to ask him to comment on something that has been of great concern to these wheat growers of the Pacific Northwest, and I understand to many other areas. This has to do with the soil bank program which is, of course, very important and will be a very important part of the entire wheat feed grains picture.

As I understand, Mr. Chairman, 6 million acres will come out of the soil bank this year. In our summer fallow areas we have experienced great difficulty, that is, the producers have, in any type of planning, because the announcements on the soil bank program have just not been timed well, according to our planting and planning cycles, by the U.S. Department of Agriculture.

It would seem to me that as we plan ahead for any overall farm program, with planting cycles of wheat and grains, that the committee should consider a change in the language of the soil bank retirement program, and I would like Mr. Bayne to respond to that.

I do now know whether you really agree with it or not, but I gather that you, being a wheat grower yourself, out in our area, should have some valuable comments on this.

Mr. BAYNE. We are personally having this problem right at the moment. We have a soil bank contract expiring this year. The summer fallow operation for the 1964 crop began the day before I left home last week.

Of course, obviously, it is almost impossible to make plans, real sensible plans for 1964's crop in February of 1963, when you do now know whether your soil bank will be open for extension or not.

The same is true of the referendum. It is the hope that the date of the referendum be changed. It is the hope of the National Association of Wheat Growers and particularly of those of us who come from areas, as Mrs. May has described, that we could perhaps even move the referendum date up to as early a date as March 1, so that we could

then really sensibly plan our summer fallow operations for our coming crop year.

I am sure that if the growers in our area, for instance, and in many other summer fallow areas of the country, knew as of tomorrow whether the referendum was carrying or not, there would be much more participation in the voluntary section of the referendum, because they could leave that land idle and not have the investment in the preparation of that land which would make it most difficult for them to leave it idle than when the referendum is finally decided in late May or June, as is indicated at the present time.

So both of these, I think, are real problems in our future legislation.

In the case of the extension of the soil bank, as well as the referendum date.

Mrs. MAY. Thank you. Mr. Chairman, I should like to ask unanimous consent to include in this hearing record some charts showing estimates of barley, oats, and rye production on land diverted from wheat.

Estimates of barley, oats, and rye grown on land diverted from wheat—State of Washington's major wheat-producing counties

[In acres]

| | Barley | Oats | Rye | | Barley | Oats | Rye |
|----------------------|--------|--------|--------|----------------------|---------|--------|---------|
| 1 Adams..... | 84,084 | 1,982 | 28,510 | 22 Lincoln..... | 124,244 | 4,074 | 10,712 |
| 2 Asotin..... | 6,936 | 125 | 0 | 23 Mason..... | | | |
| 3 Benton..... | 5,892 | 172 | 21,836 | 24 Okanogan..... | 1,738 | 426 | 206 |
| 4 Chelan..... | | | | 25 Pacific..... | | | |
| 5 Clallam..... | | | | 26 Pend Oreille..... | | | |
| 6 Clark..... | | | | 27 Pierce..... | | | |
| 7 Columbia..... | 23,894 | 75 | 150 | 28 San Juan..... | | | |
| 8 Cowlitz..... | | | | 29 Skagit..... | | | |
| 9 Douglas..... | 40,385 | 13,587 | 13,134 | 30 Skamania..... | | | |
| 10 Ferry..... | | | | 31 Snohomish..... | | | |
| 11 Franklin..... | 24,569 | 450 | 10,900 | 32 Spokane..... | 45,997 | 7,162 | 1,762 |
| 12 Garfield..... | 22,299 | 822 | 4 | 33 Stevens..... | 5,426 | 2,285 | 204 |
| 13 Grant..... | 27,609 | 5,065 | 16,393 | 34 Thurston..... | | | |
| 14 Grays Harbor..... | | | | 35 Wahkiakum..... | | | |
| 15 Island..... | | | | 36 Walla Walla..... | 68,607 | 0 | 3,715 |
| 16 Jefferson..... | | | | 37 Whatcom..... | | | |
| 17 King..... | | | | 38 Whitman..... | 144,800 | 3,500 | 1,500 |
| 18 Kitsap..... | | | | 39 Yakima..... | 8,127 | 100 | 350 |
| 19 Kittitas..... | 1,060 | 400 | 600 | Total..... | 655,217 | 41,025 | 110,726 |
| 20 Klickitat..... | 19,500 | 800 | 750 | | | | |
| 21 Lewis..... | | | | | | | |

| | Total acres, barley, oats, and rye | Total acres, oats and rye | Percent rye and oats of total | | Total acres, barley, oats, and rye | Total acres, oats and rye | Percent rye and oats of total |
|---------------|---|---------------------------------------|---|------------------|---|---------------------------------------|---|
| Adams..... | 114,576 | 30,492 | 27.6 | Grant..... | 49,067 | 21,458 | 43.7 |
| Asotin..... | 7,061 | 125 | 1.8 | Kittitas..... | 2,060 | 1,000 | 48.5 |
| Benton..... | 27,900 | 22,008 | 79.0 | Klickitat..... | 21,100 | 1,550 | 7.3 |
| Columbia..... | 24,119 | 225 | 1.0 | Walla Walla..... | 72,322 | 3,715 | 5.1 |
| Franklin..... | 35,919 | 11,350 | 31.5 | Yakima..... | 8,577 | 450 | 5.2 |
| Garfield..... | 23,025 | 826 | 3.5 | | | | |

Mrs. MAY. That is all, Mr. Chairman.

Mr. POAGE. Thank you, Mrs. May.

Mr. JONES of Missouri. I am sorry that I did not get here early enough to hear your statement. I have been reading it. You mentioned in the last part here that you hoped that prompt consideration of this bill will be made in the Congress, as this legislation com-

plements and completes the wheat program on which we vote in referendum late this spring.

Mr. BAYNE. Yes.

Mr. JONES of Missouri. You have indicated that you would like to see that referendum earlier?

Mr. BAYNE. Yes.

Mr. JONES of Missouri. Now, as I understand it, you are in hopes that the referendum will carry and will be available?

Mr. BAYNE. This is my personal wish; yes, sir.

Mr. JONES of Missouri. And I guess that is the position of the National Association of Wheat Growers?

Mr. BAYNE. The National Association of Wheat Growers has stated that they are in support of the 1964 certificate plan. And, as far as the referendum is concerned, that they intend to work diligently in the dissemination of factual information on the basis that the growers then will be able to make a proper vote.

Mr. JONES of Missouri. Well, now, as I understand it, you are asking for prompt consideration of this bill, which indicates that you would like to see this bill passed, even if it comes before the wheat referendum?

Mr. BAYNE. Yes, sir.

Mr. JONES of Missouri. I just wanted to get that clear, because from Mr. Shuman's testimony this morning he indicated just the opposite—he wanted to hold up this legislation until the wheat referendum was decided. His organization, as I gathered from him, was advocating a disapproval of the referendum.

Mr. BAYNE. I think this is correct.

Mr. POAGE. Will you yield?

Mr. JONES of Missouri. Yes.

Mr. POAGE. Does it not boil down to this: That everybody who is in favor of the wheat referendum is in favor of acting on this bill soon?

Mr. BAYNE. I think that is right.

Mr. POAGE. And everybody who is opposed to the wheat referendum is opposed to taking any action on this, and would rather see this go down the drain along with the wheat referendum?

Mr. BAYNE. If there were a feed grain program in effect at the date of the referendum, it would make for a much clearer cut decision for the wheat producer. He would know much better where he stood when he made his vote on the referendum. This is true, sir.

Mr. POAGE. Mr. Bayne, you have not the slightest idea that this Congress is going to pass anything in the way of wheat legislation if the wheat referendum fails, do you?

Mr. BAYNE. I would be very surprised to see any additional wheat legislation.

Mr. POAGE. I would, too. We talk about the Congress doing something if the wheat referendum fails. It seems to me that such talk is so far from reality, considering what takes place up here, that those who talk that way sound as if they had never walked into the Capitol Building.

I think we all know that if the wheat referendum fails, or even if it passed, there is not going to be any farm legislation after that time. That whatever farm legislation we will get is going to be passed between now and May and not after May.

Mr. BAYNE. I certainly hope, Mr. Chairman, that if this feed grain bill that you have introduced, which we approve of, is not passed by the referendum time, that it will be passed after the referendum time, because we need it.

Mr. POAGE. It will not be and you know that it will not be. I hope it will be passed before the referendum. If it is not, it will not pass.

Mr. QUIE. Will you yield?

Mr. POAGE. Yes.

Mr. QUIE. I have heard that every year when a farm bill comes up that, unless we pass this particular bill, there is not going to be any legislation. I heard that when I first came in here in 1958, and it always turns out that we pass legislation before Congress adjourns.

I doubt that there is anybody here at this table who would vote against legislation which would be better for wheat farmers than the 1964 wheat program. I have listened to this for a number of years, and the Congress always votes farm legislation before it goes home.

Mr. POAGE. I do not think there is anybody on this committee that would vote against legislation that he considered better than the 1964 program either, but there is a lot of difference as to what you consider is better.

Mr. SHORT. I would like to inject this: Some of us think that we could have better wheat legislation than the certificate wheat program. That is why many of us voted against it last year.

Mr. POAGE. Please understand my feeling. I consider there are plans which are better than what we have. I do not think that we can get them passed. I think there are things that are better, but this looks to me to be about the best we can hope to get.

Mr. SHORT. To get back to the simple premise of what we will be faced with in the case of the referendum failure, that all of the dire consequences will develop that the proponents of the 1964 wheat program implied are going to develop if the referendum fails, I cannot conceive of an administration that professes to be so imbued with their responsibility to do something for the farmer that it would not do something in the way of recommending legislation to Congress.

It would seem to me that simple. I know that you have a valid argument that if the referendum fails that there will be a lot of people in some of the nonfarm areas who will say: "This is what the farmer wanted."

Mr. OLSON. I say that it is just as fair for me as a member of this committee to say I do not feel any compassion for wheat legislation if the wheat referendum fails, as it is for those people who are not members of this committee to go around and prejudge the actions of this committee by saying that there will be wheat legislation if it does fails.

I think that it is proper, for this side to make this kind of statement, in fact, more proper than it is for the other side, because of influencing the vote by disseminating such information.

I happen to quite agree with you.

Mr. POAGE. There never has been but one referendum fail, as I recall it. Is that not right?

Mr. HEIMBURGER. The one in 1939 on Flue-cured tobacco was the only major one. The Maryland tobacco people voted down quotas several times and some of the Pennsylvania types have never accepted quotas.

Mr. POAGE. And in 1939 they came back with a bill to bail them out after they voted quotas down, and this committee turned that bill down.

Back in the thirties when the tobacco people turned down the referendum, the Congress did absolutely nothing for them when they turned them down. Many of them went broke. They took another referendum next year. The result was different then. They maintained those controls every year since 1939, right up to the present time. And it is the only crop in the United States that has done so.

They have maintained controls every year since that year they voted them down. I do not see any reason to assume that anything is going to be different here from what it has been in the past. In the only experience we have had in the past where a referendum has been turned down, there has not been any legislation.

We have had the experience on tobacco, I will grant you.

Mr. QUIE. What about corn?

Mr. POAGE. Corn has never had a referendum on allotments. They have never had allotments. Wheatgrowers do have allotment programs and you have control programs, but they have never voted them down in a referendum.

I am just saying that I do not see why anybody assumes that we will change the history of the Congress, to do something different, or why the wheat people are so much better than the tobacco people. I think the wheat people are well represented here, but I do not think that their representation is any better than that of the tobacco people. I think you can judge only by the past, and in judging that way, we know well we will not have any further wheat legislation if the referendum is defeated.

Mr. QUIE. I think all that is propaganda.

Mrs. MAY. May I ask Mr. Bayne one more question?

Mr. POAGE. Yes.

Mrs. MAY. Mr. Bayne knows very well that I did not vote for the wheat certificate plan. However, this referendum choice is now up to the wheatgrowers.

May I ask you this: If it should happen that the wheat referendum should fail, would not the gentleman's organization help those of us on this committee and in the Congress, who want to make that alternative easier for the wheatgrowers to live with, to do something about it before the Congress adjourns?

Mr. BAYNE. That is a very difficult question for me to answer, because the resolutions at our Denver meeting do not cover this.

However, our stated purpose is to work for the good of the wheat producer, and we certainly will do this wherever we can.

Mrs. MAY. You are dealing in the land of "ifs" right now, is that not correct?

Mr. BAYNE. That is right.

Mrs. MAY. We might just as well first know what the wheatgrowers might be faced with in these alternatives, and not take the attitude that Congress will not take any action before it has adjourned sine die.

Mr. BAYNE. I think that I would like to make one further statement, if I may, relative to this referendum. I think it is something that perhaps is being somewhat misunderstood in some areas—that is, that the choice that the wheatgrower is going to make in May is a

choice between two programs. It is not a choice between one program and nothing.

Mr. PURCELL. Mr. Bayne, Mrs. May stated that you represented only wheatgrowers. Am I correct in understanding that you only represent the wheatgrowers?

Mr. BAYNE. You are correct.

Mr. PURCELL. You and I, I believe, are trying to be as objective as we can. In relating the effects of the wheat referendum to the feed grain program—and I am not trying to put words in your mouth by leading you—but you, do you see any unfair advantage, propaganda-wise, politically wise, or any other “wise,” of the farmers who will be voting and having feed grain legislation enacted and passed before the wheat referendum is given consideration by the farmers?

Mr. BAYNE. No, sir; I do not. I think that if the feed grain legislation, similar to this, were passed, as I stated in the closing paragraphs of my prepared statement, it would complement and complete the program that is initiated in the wheat program.

If the wheat referendum fails and the feed grain legislation has passed, and it looks like inequities would be caused because of the lack of the wheat referendum having received an affirmative vote, then I believe that corrective measures would have to be taken in Congress, and I think that they would be.

Mr. PURCELL. Thank you.

Mr. POAGE. Are there any further questions?

Mr. SHORT. With reference to the wheat referendum, I think possibly we are getting off the subject of feed grains, but there is certainly a relationship. I think in the context of analyzing whether or not we should pass a feed grain bill before the referendum, we should also keep in the back of our minds the fact that there is a possibility of the referendum failing. After all, it failed in the gentleman's own home State last year.

What will be the effect of feed grain legislation, such as we are considering here now, being in effect, in the event that the wheat referendum failed?

Mr. BAYNE. This, of course, will take some study, I think. I would suspect, first, if the referendum fails, allotments are still in effect. And if the growers exceed their allotments, they are subject to certain penalties, the loss of their wheat history, the loss of soil bank payments, these two primarily.

How much participation there would be in the program with the support price at 50 percent of parity, I am not sure. I expect there would be considerable overplanting. However, the overplanting would be on acres that are now currently producing feed grains. I doubt if the total tonnage of the planters going into feed channels would be much greater than it would be if the referendum carried, but this is, as I say, something that would require some study.

This is why I say that if the referendum fails and this or similar legislation, feed grain legislation, has become law, and there are corrective measures necessary, then I think they should and would be taken. That is, by Congress.

Mr. SHORT. One more question: We were talking about the extension or the possible extension of the conservation reserve program a few moments ago.

Would you care to make any observation as to your opinion in regard to the method of maintaining the conservation reserve contract, extending them, the ones that are going to expire this year, as a vehicle for reducing our whole agricultural productive plant?

Many people think that this is a desirable approach. The cost of land retirement has been considerably less than the cost has been under the feed grain program or the wheat program in terms of cost per acre of land retired.

Would you have any thoughts on the merits of extending the expiring conservation reserve contracts? I am not talking about expanding the program; I am talking about just extending it beyond present contract termination dates.

Mr. BAYNE. Unless this is done, certainly the land coming out of the soil bank contracts and going back into production is going to further complicate the problem of the total production.

On that basis it would seem reasonable to extend the contracts.

Mr. SHORT. There is something that has never been brought to my attention or brought to anyone's attention here, that it might be somewhat revealing on this basic subject as to what was the cost last year. We provided \$15 million last year, I think, for the extension of the contracts that expired last year. What was the cost of retiring the acreage as those contracts were extended? That is, just for 1 year?

Mr. BAYNE. I do not have any information on that. If I understand—if I remember correctly—the amount of acres in the soil bank contracts that were completed last year were quite small in comparison to what is now expiring.

Mr. SHORT. Six million plus, this year.

Mr. BAYNE. I think that is true. I think the cost compared to last year would be considerably more. It is just a matter of more acres. If this six million acres comes back into production, it is compounding the problem.

Mr. SHORT. It seems that most of the communities to some degree at least have made their adjustments.

Mr. BAYNE. I think this is true.

Mr. SHORT. Thank you.

Mr. QUIE. If I understood one part of your answer to Mr. Short, you said that in the event that the referendum were turned down and the farmer planted outside of his allotment, that he would suffer a loss of his wheat history?

Mr. BAYNE. Yes, sir.

Mr. QUIE. When did this come about?

I have heard people refer to this, but I cannot pin it down that actually it would be the case. I do not understand that to be the case.

Mr. BAYNE. I am not an attorney, but it is my understanding that the Anfuso amendment states that if you exceed your allotment in any given year, then in figuring your wheat history for succeeding years, that your allotment becomes your base for that year. And we have been informed by the ASC committees that this amounts to about 8 percent per year for every year that you exceed your allotment.

Mr. QUIE. Do you have this section, Mr. Heimburger?

Mr. HEIMBURGER. I am looking for it now. I will get it.

Mr. QUIE. Go ahead and I will go to another question.

As far as this bill is concerned, Mr. Bayne, the benefits would be the same whether it was passed before or after the referendum to the wheat farmers, would it not?

Mr. BAYNE. This is true, that in many areas the substitution clause is very important to the producers, particularly in the summer fallow rotation areas which should actually be a one crop economy, which should be a wheat crop economy. And if these farmers knew that the feed grain bill, or one similar to this—knew that it was a law, they would then be in a better position to make their computations and decisions on how to vote in the wheat referendum.

Otherwise they are voting, as Mrs. May indicated a minute ago, on "ifs".

Mr. QUIE. The purpose of it would be to secure a vote in favor of the referendum—that is your purpose?

Mr. BAYNE. This, of course, is a matter of conjecture. After they have made their computations, then they would have to make their own decision. I do not know whether more would vote yes or more would vote no, but I know that it would make it possible for them to make a more accurate decision on the economy of this.

Mr. QUIE. If we did pass the feed grain legislation now, and the referendum would be turned down, something which I think Mr. Short asked you about, you said that you had no opinion of what your organization would do or what you would expect to do or to ask for some legislation of some kind.

Mr. BAYNE. That is right, except as I answered Mrs. May, we are dedicated to doing what we consider the very best for the wheat producers of America, and we would try to evaluate this situation as it developed at that time.

Mr. QUIE. My own observation would be that if the wheat farmers would be more in favor of holding up the feed grain legislation until they had their wheat legislation to go along with it, that is, in case the referendum should be turned down, they would have a better chance for wheat legislation in 1963.

Mr. Heimburger, do you have that information now?

Mr. HEIMBURGER. It appears in section 334(1), of the 1938 act, as amended, on page 51 of the compilation, where it says:

The allotment to the county shall be apportioned by the Secretary, through the local committees among the farms within the county on the basis of past acreage of wheat—

et cetera, and then in item (iii) it states:

The past acreage of wheat for 1959 and any subsequent year shall be the wheat acreage on the farm which is not in excess of the farm wheat acreage allotment, plus, in the case of any farm which is in compliance with its farm wheat acreage allotment, the acreage diverted under such wheat allotment programs.

That means, Mr. Chairman, that in the case of a wheat farm which has a history of several years of growing wheat, it has what is called a wheat base, which means history which may be considerably higher than the current allotment.

If a farmer plants within his acreage allotment in any year, his history is recorded as the base. If he plants in excess of his allotment in any year, his history is recorded only as that year's allotment; in other words, he not only does not receive credit for additional acreage he plants in excess of his allotment, he is penalized in that

year for future history purposes by the amount of acreage that is the difference between his allotment and the farm base.

Mr. SHORT. Is there any qualifying clause in that piece of legislation that refers to any year in which quotas are in effect?

Mr. HEIMBURGER. No. This is presumed that quotas will be in effect.

Mr. SHORT. We are dealing here with a situation——

Mr. HEIMBURGER. Wheat allotments can be in effect, whether there are quotas or not.

Mr. SHORT. It makes a lot of difference whether quotas are in effect. You vote quotas in or out by the referendum.

Mr. HEIMBURGER. That is correct. But that has nothing to do with the size of the allotment.

Mr. SHORT. I realize that. What I am trying to clarify is whether this provision of the law would prevail and apply to the year when the quotas were not in effect.

Mr. HEIMBURGER. Yes, it would in the case of a wheat allotment. Quotas and allotments are determined separately by the Secretary. Allotments will be in effect whether quotas are ruled in or out.

Mr. BAYNE. I know instances where this law has been implemented.

Mr. HEIMBURGER. That is correct, is it not?

Mr. BAYNE. Yes.

Mr. SHORT. In what instance, because we have never had an instance, when quotas were not in effect since this law was passed.

Mr. BAYNE. It will work when there are quotas or not, as Mr. Heimburger indicates. Quotas and allotments stand separately. You vote your quotas in or out, but allotments are set by the Secretary on his determination of excess supplies.

Mr. HEIMBURGER. In the case of wheat, and I think this is true of all commodities except tobacco, the quotas and allotments are figured separately, under separate provisions of law. There can be allotments without quotas. Obviously there cannot be quotas without allotments, but there can be allotments without quotas in wheat. And one case where there can be, is where the quotas are voted down.

Mr. SHORT. We are dealing here with bases, not allotments. This is for history purposes, where you are talking about the farm base, from which the allotment is determined—you are talking about the preservation of the wheat base on the farm and not the allotment, per se.

Mr. HEIMBURGER. That is correct.

Mr. QUIE. It says that for 1959 the farm allotment shall be the wheat acreage on the farm.

Mr. BAYNE. If you are interested, I think I could give you a little background history of that.

If I remember correctly, that was introduced by Congressman Anfuso, and the idea was that it should prevent the buildup of history by overseeding.

Mr. SHORT. This is exactly it.

Mr. BAYNE. But actually it went a little further than the Congress intended, I think, because what this does is not only prevent the buildup of history by overseeding, but penalizes for overseeding.

Mr. QUIE. I do not understand how you come to that conclusion.

Mr. HEIMBURGER. I have just checked with Mr. Murray. He agrees that this is the provision. This says:

The allotment to the county shall be apportioned by the Secretary, through the local committees, among the farms within the county on the basis of past acreage of wheat, tillable acres, crop rotation practices, type of soil, and topography.

And down here it says in (iii):

The past acreage of wheat for 1959 and any subsequent year shall be the wheat acreage on the farm which is not in excess of the farm acreage allotment.

Now, this means that if you are in compliance, the history you get for this year is the acreage allotment plus all of the acres of your base you are not allowed to plant because the wheat allotment has been cut. If you are not in compliance, then your history for this year is the wheat acreage allotment, period.

Mr. QUIE. How about acres diverted?

Mr. HEIMBURGER. That means under previous allotment programs, not diverted acres under the feed grain and wheat temporary programs.

Mr. BAYNE. You get into definitions here in this kind of thing.

Mr. HEIMBURGER. As Mr. Bayne pointed out a while ago, this provision has been modified by two or three other provisions elsewhere in the law that I am sure I cannot put my finger on right at the moment, but they have to do with other acres in Government programs——

Mr. BAYNE. That is right.

Mr. HEIMBURGER (continuing). Such as fallow wheat, summer fallow areas, and that sort of thing, but this is the basic law. This has been modified slightly for some particular reasons.

Mr. BAYNE. That is the net result.

Mr. SHORT. There is one other phraseology in there that I think is important. I think it refers to whether he is in compliance. Does the law construe that in a year in which quotas are not in effect that the person that does not abide by his allotment is out of compliance?

Mr. HEIMBURGER. That is correct.

Mr. BAYNE. Yes, sir. He would not get any support.

Mr. SHORT. He is not doing anything contrary to the law.

Mr. HEIMBURGER. But he is not eligible for price support. The law indicates wheat——

Mr. SHORT. The law says that he has to comply with his allotment in order to be eligible for price support. That is the same phraseology as the other.

Mr. HEIMBURGER. That is correct.

Mr. POAGE. Are there any other questions of Mr. Bayne? If not, we are very much obliged to you, Mr. Bayne. Thank you.

Mr. BAYNE. I thank you. I appreciate the opportunity of appearing here.

Mr. POAGE. The committee will now be glad to hear from Mr. Garver, representing the U.S. Chamber of Commerce.

STATEMENT OF WALTER B. GARVER, REPRESENTING THE CHAMBER OF COMMERCE OF THE UNITED STATES

Mr. GARVER. Mr. Chairman and members of the subcommittee, I am Walter B. Garver, manager of the Agricultural Research Department of the Chamber of Commerce of the United States.

On behalf of the national chamber's members, we appreciate this opportunity to express our opposition to H.R. 3874, entitled the "Feed Grain Act of 1963."

This bill's provisions are an extension and a loose and sweeping expansion of recent and existing legislation of feed grains. But since it provides no terminal date for its provisions, it would be permanent feed grain legislation.

Our objections and opposition are based on two important aspects.

The first is that it would continue a very costly program which has achieved results not in keeping with its great cost to the taxpayer.

The second reason for our opposition is that as permanent legislation it makes broad delegations of authority to the Secretary of Agriculture which we believe are not in the best interests of farmers or the public. Some of the delegations appear to us so sweeping as to constitute an abdication of congressional authority and responsibility if they were to be approved and passed by the Congress.

The diversion of feed grain acreages, which this bill would extend, is, of course, aimed at reducing feed grain production and shrinking existing stocks, especially those stocks in Government hands involving costs for storage and handling.

On the basis of 2 crop years of operation, 1961 and 1962, the net reduction in the output for 1962 from 1960 for corn, barley, and grain sorghums was 379 million bushels. The cost of the diversion program for 1961 and 1962 has been \$1,695 million. Measured in this way, it could be said that each bushel of feed grain reduction cost \$4.48.

But taking into consideration the reduction of 347 million bushels of the three grains in Commodity Credit Corporation stocks and loans between January 1, 1961, and January 1, 1963, a total reduction of production and Government stocks for the 2-year period totals 726 million bushels. Measured against the cost of the programs for the 2 years, the cost per bushel of total reduction of both is \$2.33. This is, in our judgment, an inordinately high cost operation.

Moreover, the costs of the program equaled more than 34 percent of the total cash receipts from the sale of the three grains by farmers in 1961. In 1962, the figure was more than 36 percent.

Assuming a ratio of 22 to 23 percent for net operator income to the value of cash sales of the three grains, the direct diversion payments to participating producers equaled for the 2 years \$1.50 for each \$1 of such net cash income.

The magnitude of income effects of the diversion payments is shown by the fact that in 1960 Government payments were 9 percent of net operator cash income from farming. For 1961 this rose to 18 percent, and for 1962, Government payments constituted 25 percent.

We oppose the sweeping delegation of power and authority to the Secretary of Agriculture specified or implicit in the bill, H.R. 3874.

Under it a Secretary would have the power to set on a broad scale the size and scope of feed production in the Nation. He would be empowered to decide when the supply of feed grains would be likely to be excessive, and based on that decision formulate and carry out an acreage diversion program. No guidelines for the definition of an "excessive" supply are given in the bill, other than the Secretary's "determination." He is empowered to establish an acreage reduction goal. Thus, it is left to the Secretary whether or not there is to be an acreage diversion program.

The Secretary is further delegated the power to prescribe the extent to which a producer must participate in any diversion program in order to be eligible for any price supports. The bill provides little or no guidance to the Secretary. It simply provides that he shall determine the terms and conditions that he thinks are fair and reasonable under which diversion payments shall be made. The bill provides a ceiling on the rate of payments but gives no indication of guidelines for minimum rates.

Similarly, there are no limits on what the Secretary may do with respect to the proportion of price-support benefits he may pay directly to participants as payments. The bill does supply a formula for determining the acreage and bushelage basis for payments in kind, but the Secretary would be free under the bill to bestow all the price-support benefits as payments, or none at all, should he so decide.

There might appear to be an upper limit to the total extent to which he could make payments in kind—the limit being the amount of commodities under Government control. But since the bill requires the Commodity Credit Corporation to assist the participant in marketing the certificates in accordance with rules which the Secretary is to prescribe, and since the bill would authorize the Secretary by his own terms and conditions to make conservation payments in addition to the payments in kind for participation in the diversion program, there is no limit on the proportion of the program he could carry out by payments.

The bill would authorize the Secretary to set the price support anywhere between 60 and 90 percent of parity under an acreage diversion program. Again, there are no guidelines other than whatever level he thinks necessary to achieve the reduction goal which he is empowered to establish. Moreover, under the payments-in-kind provisions he would also have the power to make the support price the ceiling price. He would have the power to manipulate the payments-in-kind program on sufficiently broad scale so that redemptions of certificates would keep feed grain prices no higher than the support level—plus reasonable carrying charges if there were any such.

We object strenuously to sweeping delegations of this kind. They place into the hands of a Secretary of Agriculture power to devastate and eventually destroy free independent farmers and marketing agencies.

Given the power to define excess supply and thereupon establish an acreage reduction goal, to set the price-support levels and the ceiling price for feed grains, a Secretary of Agriculture could then establish the production and marketing of such commodities as a completely Government-run monopoly.

This would be government by men, not by law.

In the faith that this committee and Congress will not countenance such dangers, we petition and urge this committee to reject H.R. 3874.

Mr. POAGE. Mr. Garver, you heard Mr. Shuman's testimony this morning, did you not?

Mr. GARVER. Yes, sir.

Mr. POAGE. I say, did you hear Mr. Shuman's testimony this morning?

Mr. GARVER. Yes, sir.

Mr. POAGE. You heard Mr. Shuman, then, say that he believed that cheap corn made for cheap livestock. Do you agree with that?

Mr. GARVER. In part.

Mr. POAGE. What part do you not agree with?

Mr. GARVER. Cheap corn makes cheap livestock when feed is cheap, relative to other costs.

Mr. POAGE. What?

Mr. GARVER. Cheap relative to other costs.

Mr. POAGE. Well, relative to other costs—just what do you mean by "relative to other costs"?

Mr. GARVER. Well, cheap—cheap feed makes cheap livestock in the sense that it encourages the wasteful production of livestock, so all costs are not recovered, so it is cheap livestock from cheap feed on a marginal basis and livestock production is overextended.

Mr. POAGE. Just talk language that some of us producers can understand. Do you mean that if corn went down to 50 cents and remained there for a period of time, that you would expect cattle to go down to 12 or 15 cents?

Mr. GARVER. I am not arguing with your figures.

Mr. POAGE. Use any figures that you want. You agree that is a basic relationship, or do you not?

Mr. GARVER. No.

Mr. POAGE. I am trying to get you to say, but you will not say what you believe, so I have to put words in your mouth and ask whether that is correct or not.

Mr. GARVER. You will do that anyway, but go ahead; I am trying to understand what your question is.

Mr. POAGE. You use your language and tell us what the relationship is.

Mr. GARVER. Well, I think there is always, or has been, in history, whenever there has been an abundance of feed, it has been used up. It is a pretty firm axiom in the livestock industry that you have as much livestock as there is feed for it. And, of course, if you have a lot of feed, you will have a lot of livestock, because feed is there and the price is low relative to other costs, and it will be utilized and turned into livestock and livestock products.

Mr. POAGE. And what about the effects on livestock prices then?

Mr. GARVER. It has the same effect as any other supply-and-demand relationship. If you are going to equate the two, the price has—

Mr. POAGE. You are going to do what?

Mr. GARVER. If you are going to equate supply and demand, it has to be done through prices, which means that prices have to go down.

Mr. POAGE. I think that is a correct statement.

You also heard Mr. Shuman say that, in his opinion, that had we had no feed grain program of any kind, either control or support in 1961 and 1962, there would have been less feed grain grown than we did grow—you heard him say that, did you not?

Mr. GARVER. Yes.

Mr. POAGE. Do you agree with that?

Mr. GARVER. I do not have any basis for knowing what we would have done. This is a hypothetical question. I think the program had some effect in reducing that.

Mr. POAGE. You think the program had some effect in reducing it?

Mr. GARVER. Yes.

Mr. POAGE. That would be contrary to Mr. Shuman's belief. What is your opinion? Did the reduction of production have any effect on the price of feed grains?

Mr. GARVER. I think it would be pretty hard to tell, but it is my guess or my judgment that to a modest extent, it operated, that is, to the extent that it operated, it had some slightly bullish effect in supporting the price.

Mr. POAGE. I think so, too. You suggest on page 2 of your statement that there was a net reduction in crops in 1961 and 1962 as compared with 1960 of 379 million bushels. That was actually roughly 30 percent, was it not, in the acres?

Mr. GARVER. I do not recall. I think it was 23 percent.

Mr. POAGE. How much?

Mr. GARVER. I think 23 percent.

Mr. POAGE. Let us take 23 percent that has been suggested by somebody, and if the 23 percent had produced at the same rate as the other acres produced, that would have been more than 3 billion bushels of grain grown on those acres, would it not?

We all agree that it would not have produced that quantity, because those acres which went out were undoubtedly less productive, but can you conceive of those acres only producing one-tenth as much per acre as the other acres?

Mr. GARVER. Yes.

Mr. POAGE. You can?

Mr. GARVER. Yes.

Mr. POAGE. Do you think that the land that was laid out would produce only one-tenth as much as the land that the farmers kept?

Mr. GARVER. I think that the difference in the land would be a part of it. There is a difference in the intensity with which they cropped the other land as well.

Mr. POAGE. Yes. About how much increase do you think you can get by the most intense farming that will pay off? Some people do it for show purposes and grow 300 bushels of corn per acre, but nobody ever made a profit on a field of 300-bushel corn.

Mr. GARVER. No farmer ever made any money out of it.

Mr. POAGE. You never knew of anybody that made a profit on a crop of 300 bushels of corn per acre, because costs would get out of all proportion to the value. Is that not right?

Mr. GARVER. Yes. It would depend on what they got for the corn. If they just grew it for show, they would grow it as a stunt, usually.

Mr. POAGE. But you never saw anybody make enough money to make 300 bushels of corn profitable, did you?

Mr. GARVER. No, I have not.

Mr. POAGE. It has only been produced once or twice in the United States. Incidentally, it was done in the State of Mississippi.

About how much corn can you grow? Let us assume that we can grow 300 bushels to the acre. However, you know that you cannot grow it profitably. How much can you grow profitably?

Mr. GARVER. I would not be able to answer that on any plot unless I looked at the plot. It would vary all over the Corn Belt, all over the feed grain area.

Mr. POAGE. All right. Give us some idea. You are supposed to be the agricultural expert in the U.S. Chamber of Commerce.

Mr. GARVER. Well, I made a study 2 years ago of a number of Middle Western cash grain farms in which they grew corn profitably at 82 cents a bushel.

Mr. POAGE. I did not ask you about that. I am asking you about how many bushels. What is the maximum of how many bushels that anybody can grow profitably per acre?

Mr. GARVER. Well, I do not remember, but some went up to 204 bushels, I remember in one case.

Mr. POAGE. You think that was a profitable operation?

Mr. GARVER. It was according to his books.

Mr. POAGE. It was?

Mr. GARVER. Yes.

Mr. POAGE. All right, 204 bushels. That is probably about the maximum that anybody can grow and grow profitably, is it not?

Mr. GARVER. I will take your word for it.

Mr. POAGE. No, I am not asking you to take my word. I am asking you, you are the expert—you are the man who knows these things, and the business end of them—yes, you are employed by the biggest business organization in the United States as the manager to advise them on agriculture. You must know something about the relationship between profits and operations.

Do you think that a man can profitably grow more than 204 bushels of corn per acre?

Mr. GARVER. I think that he can, yes. It is possible. I do not know until I look at the situation. You asked me as an expert. I am not supposed to carry everybody's farm accounts in my head. There are some farmers that are coming out pretty well on 200-plus bushels per acre.

Mr. POAGE. Do you have any idea about what the average man in the Corn Belt does—what the maximum yield is that he can profitably produce?

Mr. GARVER. It depends on the price.

Mr. POAGE. All right. At the present prices, at \$1.08, which we were told was the price.

Mr. GARVER. If you put it in terms of an average man, I do not know any average man.

Mr. POAGE. All right, but you give us a lot of adjectives and a lot of figures, but you do not know anything about that?

Mr. GARVER. I am not an average man. There is not any average producer.

Mr. POAGE. There is no way of determining—no way of getting any idea about what is profitable and unprofitable?

Mr. GARVER. You can get an average cost and an average basing cost, but nobody has ever pulled them all together.

Mr. POAGE. Let us assume that 204 bushels per acre is all that you can grow profitably—let us assume that these people could grow

300 bushels and that is the highest that has ever been grown in the United States.

Mrs. MAY. Per what?

Mr. HOEVEN. Where has that been done?

Mr. POAGE. That was done in Mississippi. In Mississippi they grew 300 bushels per acre, and nobody made a profit out of it, of course.

Mr. HOEVEN. Was that not a demonstration plot?

Mr. POAGE. Certainly, that is what it was. That is exactly what I am getting to. It is not profitable to grow—although you can grow corn up to 300 bushels per acre, there is no profit in that. A man makes a mistake growing that much if he is growing it to make a living.

All right. Let us assume that everybody in the United States grows 53 bushels per acre. That is, I believe, the actual average and you figured that these acres that were retired would produce only one-tenth as much?

Mr. GARVER. I have seen some of them that would only produce that.

Mr. POAGE. All right. You remember these are averages for every farm in the United States in the program. It is not land out in the Big Bend region of Texas—it is not land out in Arizona—it is land in Iowa; it is land in Illinois; it is land in Ohio. You say that that kind of land is only growing one-tenth as much as the 53-bushel-per-acre U.S. average.

Now, your figures for the other land is that it could grow but 5 bushels per acre—5.3 bushels per acre; that is all you figure could be grown on this land that was retired. Do you really mean to tell this committee that you think that this land that was retired could only average 5.3 bushels per acre?

Mr. GARVER. If you allow for the shrink that was mentioned this morning, the retirement was greater than the reduction in acreage, and for the practices applied on the land, and the return to the producers, I think that this would be about 5 bushels, which would be about right.

Mr. POAGE. You think that 5 bushels would be about right?

Mr. GARVER. Yes.

Mr. POAGE. And most of that corn, or that land was in the Corn Belt. Well, I will not argue that. There is no reason for discussing the matter with you further.

Does anybody else have any questions?

Mr. JONES of Missouri. In the last paragraph on your first page, Mr. Garver, you say that—

The diversion of feed grain acreages which this bill would extend is, of course, aimed at reducing the grain production and shrinking existing stocks, especially those stocks in Government hands involving costs for storage and handling.

Would you say that that would be a good goal to aim at, or would you endorse trying to achieve this aim that you have set out here?

Mr. GARVER. It is the chamber's policy and position on crop and agricultural production, generally. We have long ago come to the conclusion that any program which sought permanently to fence in production by curtailing it was foredoomed to failure because of the technology that is available to get around it.

As to reducing stocks, we have always gone along with the program that would reasonably and systematically reduce existing stocks as being too large, as being a drag on the market, and being something of a burden on the price structure.

So I would have to say that the aim is split as between the two, so far as the chamber's policy is concerned.

Mr. JONES of Missouri. In other words, you only said that you think that the chamber would endorse; that is, the only thing that they would endorse would be to reduce the existing stocks, and those stocks in Government hands involving costs—you would agree to do that?

Mr. GARVER. Yes, we have supported that.

Mr. JONES of Missouri. How do you suggest that we set it, then, if we do not bring about a reduction in production?

Mr. GARVER. Well, we have, after a study of the operation under Public Law 480 and similar programs, felt that this is a program that could be phased out under those arrangements, provided you quit adding to the stocks, which means find some other bases for your program than piling them back into the cupboard.

Mr. JONES of Missouri. What would you do with stocks if you do not store the stocks? You say that you do not believe in reducing the production. What are you going to do with the production which apparently is more than we have been able to sell and give away, and then we have accumulated these stocks, even with controls.

And now you say, take off the controls and have more production, and yet you want to shrink the stocks. I would like to get your philosophy on how you intend to accomplish both of those things.

Mr. GARVER. We say "shrinkage of existing stocks," which is the language in the statement.

Mr. JONES of Missouri. Yes.

Mr. GARVER. We would say that there has never been produced more than could be sold, so long as the Government stood by ready to buy it at some price that keeps it coming in.

Mr. JONES of Missouri. In other words, you feel that if the Government did not have the support program and did not offer to buy the production from those who participated in the program, that the production would naturally go down, and in that way the surplus would disappear, naturally; is that your theory?

Mr. GARVER. Yes. In time the price would go to a level that on the marginal basis somebody would have to cut back their production and resort to intensive measures or quit producing entirely.

Mr. JONES of Missouri. Let me ask you what will happen to those people that you say are going to have to reduce their production in order to keep these crops from accumulating—what happens to those people, the farmers who have been producing? How are you going to take care of them?

Mr. GARVER. I do not think that we have to take care of them. They take care of themselves, the way 3 million have in the last 10, 12 years—the way 3 million families have already.

Mr. JONES of Missouri. Wait a minute. You say "the way 3 million families have already"; are not most of those 3 million families drawing unemployment benefits or something in its place, which the farmer could not draw?

Mr. GARVER. Not in my experience.

Mr. JONES of Missouri. You are perfectly familiar with the unemployment, I know that.

Mr. GARVER. I know about that, but Mr. Jones, you said are not most of them drawing it. I said not in my experience, they are not drawing it.

Mr. JONES of Missouri. Where do you think that these unemployed come from today?

Mr. GARVER. They are coming largely from the unskilled younger people who have been coming into our population and from the overage people, over 45 years of age, that nobody seems to want to hire. I have checked into this in many different parts of the country. I have checked with people who have left the farms for the last 10 years and find them doing all of the things you can think of, from practicing law to teaching school, running filling stations, clerking in stores, running television service shops.

Mr. JONES of Missouri. You are talking about farmers now?

Mr. GARVER. I am talking about farmers that have left the farms in the last 10 years.

Mr. JONES of Missouri. I did not know that farmers had those skills to operate television repair shops.

Mr. GARVER. Most of them have acquired it.

Mr. JONES of Missouri. What is that?

Mr. GARVER. They have acquired these skills.

Mr. LATTA. As to this question that you raised about the reduction, let us take a hypothetical case of a person having 100 acres of corn and he puts 10 percent of it into the soil bank, leaving 90 in corn.

Is it not entirely conceivable that the man with so many bushels to the acre, which on 100 acres gives him 9,000 bushels, would lay aside the poorest land of the 100 acres and increase the use of fertilizer and would come up with better seed to get 100 bushels per acre from the remaining 90 acres, and that he would yield 9,000 bushels anyway?

Mr. GARVER. Yes, sir; it is not only conceivable, but I have talked to a number of them who have done that and better.

Mr. LATTA. I want the record to show that has happened a good many times in my State. These advance payments that they have received have permitted them to buy additional fertilizer to do that.

I want to say that it is entirely feasible and it is being done.

Mr. POAGE. I was talking about what the gentleman from the chamber of commerce talked about, and what he testified to, to the effect that he felt that these retired acres would produce only one-tenth as much per acre as the acres that were left in production. And since the acres in production produced—we know what they produced—they produced 53 bushels per acre over the United States, that meant that the retired acres could not have produced but 5.3 bushels per acre, and he testified and he thought that was reasonable, that they probably did not produce but 5.3 bushels per acre; is that right?

Mr. GARVER. This is the program.

Mr. POAGE. As a matter of fact, the difference between saying a man can raise his production by 10 percent—

Mr. GARVER. Well they just transported 50 bushels per acre off of the retired land over to the acreage they had left.

Mr. POAGE. Under Mr. Latta's proposal, he only had to raise his production on those acres by so much per acre and he had the same

production, but you have suggested that there would only be a production of 5.3 bushels per acre, and most of that came from the Corn Belt of the United States.

And my point was that I just do not believe that the retired acres in Iowa and Illinois and Ohio could be so poor in quality that they would only produce 5.3 bushels of corn per acre. I do not believe that there are many acres in that area on which you grow corn that only produce 5.3 bushels per acre. Nobody does that even in my area. And we do not produce anywhere near their production.

Mr. LATTA. I agree with you 100 percent. I do not believe that is what he is trying to get at, however.

Mr. GARVER. You are quite right.

Mr. POAGE. He agreed with me just now.

Mr. GARVER. I would not pretend that the acreage diverted was 30 million—or whatever figure you had—had 5-acre corn on it. The effect of this program from the standpoint of reducing the production was that might as well be 5-acre corn land, because they transferred 40, 50 bushels from it to the acreage they still had left.

Mr. POAGE. You have to transfer 10 times as much. That is what you say this land would produce. You have to transfer just 10 times as much; and you have just pointed out that you thought that the highest corn production in the United States which would be feasible and profitable would be only a little less than 4 times as much as the average production. You assume that a man would transfer $2\frac{1}{2}$ times of what you thought the maximum was—that is what you are assuming. So he would have to transfer 10 times as much under this.

Mr. GARVER. There is, in our feed grain economy, the capacity to produce a lot of tonnage of feed grains, as you know. This will be produced on whatever acreage you leave him to produce it on. And you will get relatively a small reduction by acreage reduction, because there are offsets that they have within their power to make, and they have made them.

Mr. POAGE. Now, then, excuse me, Mr. Latta.

Mr. LATTA. I yield.

Mr. OLSON of Minnesota. I have several questions.

I would like to make a comment first. We have been arguing about the law of supply and demand. What you have been pursuing, Mr. Chairman, in your discussion is the point of diminishing returns.

We get into the argument about incentive, because the witness constantly maintains in his discussion that any program that the Government might have relating to price support of any kind is such an incentive to produce that the farmers are going to break all reasonable bounds, and they are going to add to our surplus stocks.

I would like to say that a reduced price, in my estimation, is just as much of an incentive to produce as the price support or the increased price.

A man will work harder if he is still on the farm going broke. He will work harder to maintain what he has as it is the only way of life he knows.

I think he might sneak off and go fishing once in a while, if the price from his farm was so good that he has time to do these other things.

Further, I believe that if you are going to depress agriculture, you are going to destroy the opportunity for the American farmer to improve his profits and his technology. These are what enable him

to produce efficiently and gives the consumer the favorable food costs they enjoy.

You say that you are for reducing taxes, and you come in with a theoretical argument about how much we have not reduced this tax. And so did Mr. Shuman this morning. In fact, the programs that you supported, both of you, would never decrease farm program costs. I cannot quite see why I should be willing to accept the theory that you have incorporated in your testimony, as a fact, for being opposed to the farm bill that we are discussing. Actually we have a much better example in the program that was in effect not so long ago and almost bankrupted all of us.

Mr. GARVER. Well, I would like to say for the record and Mr. Olson that we never supported the price support program under that administration either, so that we are not defending one administration and attacking another.

We are talking about the fundamental principles. And the various things that you mentioned about motivation and incentive, I quite agree with you that in the short run, when the belt is tight, a man will do what he can to squeeze the last drop out of the turnip before it drops out of his hand.

This goes on every day in agriculture and has ever since I was old enough to milk a cow. I have seen it.

Mr. OLSON of Minnesota. I would like to correct myself, insofar as I indicated that you supported a specific farm program. I quite understand that you did not support a specific farm program. What I do mean is that you did support and you will always support a lower economic yield for agriculture, and thereby, I believe, there will be more incentive to produce. I did not hear loud opposition to a program like the soil bank program.

Mr. GARVER. I think this calls for an answer, Mr. Chairman.

Mr. POAGE. I think so, too.

Mr. GARVER. For the record, we did not support the soil bank. In fact we spent a good deal of time with the other committee on the other side pointing out that this was a short run program that would have longrun consequences to the opposite of what they expected and wanted; that it was important and it is important to separate conservation in the public interest from the question of trying to divert resources in the face of the capacity that there is to produce in this country.

I would like also to say in answer to your comments that I hope that I did not say that we do not support any program at all. I said we did not support the price support levels which dropped production in Government's hands.

Mr. OLSON of Minnesota. What programs do you support?

Mr. GARVER. We support a disaster floor to take any undue share of the burden of the general price decline from the farmer. We support as an additional measure in the current situation the use of whether it be diversion programs, like involved in the feed grains or a soil bank or compensatory payments or gradually lowering price supports; any device which is an aid to farmers, to give them time to adjust, to make arrangements in their own enterprises and operations, and to make up their own minds whether this is the competitive base they should have to stay in or out.

We support a gradual but systematic and transitional program coming more nearly to grips with market demands. That is the only real guidance test of value of what any part of the economy produces.

Mr. OLSON of Minnesota. You would support 50 percent of parity?

Mr. GARVER. Yes, or some percentage of market average, if it prevented the market from dropping out.

Mr. OLSON of Minnesota. Let us pursue this a bit further.

How much profit does a farmer have?

Mr. GARVER. Now you are talking in generalities about a farmer again.

Mr. OLSON of Minnesota. Well, any kind. I will not badger you what you say.

Mr. GARVER. How much profit does a farmer have?

Mr. OLSON of Minnesota. Yes.

Mr. GARVER. I have seen farmers operating rather large-sized family units, making as much as \$28,000 or \$30,000 a year.

I have seen farmers making almost or operating almost as big an operation going broke.

Mr. OLSON of Minnesota. I mean in relationship to the dollar.

How much profit does he have on a dollar?

Mr. GARVER. Now, you mean the margin between costs and receipts?

Mr. OLSON of Minnesota. Right.

Mr. GARVER. Well, the figure I used is 22 or 23 percent is the margin for all U.S. agriculture in recent years.

In other words, about 78 percent is his production costs.

Mr. OLSON of Minnesota. About 78 percent in his production costs?

Mr. GARVER. That is right.

Mr. OLSON of Minnesota. And you would support legislation that would support parity or farm income much below this figure and you say you are going to adjust it.

Pray tell me, how long can a man be adjusted when he is losing that kind of money and of his operation?

Mr. GARVER. Well, my dear sir, it is not the business of the Congress to keep everybody from going broke.

We all have to sell our goods and services and win or lose sooner or later, and this is as true of the farmer as anybody else.

Mr. OLSON of Minnesota. We are involved in a discussion here about what this Congress will do in establishing price levels in agriculture. If not, prices will be disastrously low.

I say that agriculture, and the farmers in my district, have not had a farm program for many years. As far as I am concerned the only ones who have been getting assurances of not going broke are you people and the people that the chamber of commerce might represent.

If you support agriculture at 70 percent of parity, the farmer is going to go broke at that, and then I would rather see no farm program, because it only supports everyone but the farmer.

Every time the budget is read, it is always the farmer who is getting the credit for spending all of the money but his income is not supported. It is his costs that are supported and this does not do him any good.

Mr. GARVER. I could not agree with you more.

I made this study in connection with an appearance before this full committee at one time 2 or 3 years ago and which I got from the Census Bureau some data on 660,000 top commercial farmers in this country.

They produced 60 percent of all that was sold and from 1949 through 1958, a 10-year period, their production expenditures rose by almost exactly the amount of money they had derived from Government programs.

Mr. POAGE. Are there other questions?

Mr. OLSON of Minnesota. No.

Mr. POAGE. You referred to Mr. Jones about this unemployment. How many unemployed workers are there in the United States today?

Mr. GARVER. Oh, I have forgotten offhand. Seventy——

Mr. POAGE. 6 or 7 million?

Mr. GARVER. 6 or 7 million or something else.

Mr. POAGE. Something on that order? So long as we have those people unemployed when one man comes in off of the farm to the town, as you suggest he should do, must he not do one or two things?

Must he not either be unemployed himself and, therefore, receive the aid that Mr. Jones mentioned or must he not take a job which otherwise would have gone to one of these people who are presently unemployed in town?

Mr. GARVER. Well, Mr. Poage, I would like to back up.

You said I said he should go to town. I said no such thing. I said if they left the town they would do just like the 3 million families did preceding them, which was that they did go to town.

I do not say that they should do anything. That is up to them to decide.

Now, as to displacement——

Mr. POAGE. You offer no solution, though. You do expect him to go to town, do you not?

When they do go to town what I want to know is how they can be supported without either having Government help themselves or creating a lack of a job for someone else who gets Government help?

Mr. GARVER. Well, to turn your argument around, that is the best reason in the world for having no more babies.

Mr. POAGE. Well, I do not know, I do not quite follow your logic there.

Mr. GARVER. Well, you are saying one more person added to the labor market just raises hell.

I am saying that every time a baby is born it just raises hell.

Mr. POAGE. That is perfectly true. The greater our population increases the more pressure it puts upon the unemployed. Of course it does.

Mr. GARVER. That is what I am trying to say.

Mr. POAGE. But that is one of the things that we have got to face. Here is the population increase.

It is not near as great in the United States as it is in many other parts of the world.

Frankly, that is one of the things that worries me even more than farm programs or defense or anything else, and that is the population explosion.

These nations where the populations are increasing far faster than the increase in productivity is what is worrying me.

Fortunately, that is not true in the United States yet.

But I still come back to the proposition that each one of these farmers who goes to town either becomes a public charge or causes someone else to become a public charge.

Mr. GARVER. Well, I think this requires you to regard the maximum total jobs available in this country as an impenetrable ceiling, which we do not believe is true at all.

Mr. POAGE. Well, you think that they can go to town, find jobs, and become self-supporting when they get to town?

Mr. GARVER. Yes, sir.

Mr. POAGE. And it costs the Government nothing?

Mr. GARVER. Well now, I did not say that. There are some of them that do get on relief.

Mr. POAGE. Well, do you think that any appreciable number that go to town find jobs without displacing someone else who otherwise would have taken that job, who is now out of work and drawing Government help?

Mr. GARVER. No, we have had expanding employment. They fit it into that.

We have what? Twelve or thirteen million more jobs than we had 15 years ago being filled. We have more people working.

Mr. POAGE. That is right, but we still have 6 or 7 million unemployed.

As long as we have those unemployed, I do not see how you can keep shoving these people from the farm into town without creating a public burden which is greater than that which we face by giving them help to stay on the farm.

It seems to me it is cheaper to keep them on the farm than move them into town.

Mr. GARVER. I do not want to move them into town. I want to go on the way we have been, each man taking care of himself.

Mr. POAGE. I know, and that is a fine theory. That is a fine theory.

But, you know, if they cannot make a living income on the farm, they will move to town.

You just told Mr. Jones that the answer for them was to do just what these other farmers had done before them, go to town.

Mr. GARVER. He asked me what happened to them and I said they will do what the others have done, go to town and get jobs.

Mr. POAGE. And, of course, that is all they can do.

You have just told us indirectly that the average farmer would stay on the farm as long as he could, and he would work as hard out there to try to stay there as he could, but you have just told us that ultimately he will lose out and that is right, and I agree with you.

Mr. GARVER. No, I did not say the average farmer.

I said there are farmers under the kind of incentive that he is talking about when they are going broke, who will hang on as long as they can.

That is not the average farmer.

Mr. POAGE. All right. It is more than the majority, is it not?

Mr. GARVER. No, I do not think so.

Mr. POAGE. It is more than half of them. Well, we had all of these figures thrown at us, that 87 percent of the farmers in America produce only about 40 percent of our food and that 13 percent produced about 60 percent of all production in the United States.

Your organization has given us those figures, and I do not question them. You believe that a small percentage of the farmers are producing most of the farm products, do you not?

Mr. GARVER. This is true of all economic activity.

Mr. POAGE. All right. And it is equally true that there is a large percentage of those farmers who are not making enough to enable them to stay on the farm with their families with a reasonable income.

Is that not true?

Mr. GARVER. There is a smaller mortality among farm businesses, if you want to call it that, than there is among town commercial businesses.

The Department of Commerce a couple or 3 years ago published in the Survey of Current Business a study of several thousand establishments in business in 1948, and by 1957 82 percent of them had disappeared.

Mr. POAGE. The names had disappeared. There had been a change in the ownership.

That is what you meant, is it not?

Mr. GARVER. Well, there is a change in the ownership of farms, too.

Mr. POAGE. That is right, but each change in the ownership of farms does not necessarily mean that the man has gone to town.

Mr. GARVER. Well, may I go back to what I am trying to say, and that is this: So far as going broke and going under, mortality is less on farms than it is in commercial establishments in towns.

Mr. POAGE. Possibly so. Well now, let's follow that on——

Mr. LATTI. Before you go on, may I clear up one point?

Mr. POAGE. Yes, sir.

Mr. LATTI. And this is about the unemployment compensation for these people.

Mr. POAGE. I did not say a word about "unemployment compensation."

Mrs. MAY. Mr. Jones did.

Mr. POAGE. I know he did, but I did not.

Mr. LATTI. I would like to have this cleared up.

Mr. POAGE. Mr. Jones was saying that after they got to town——

Mr. LATTI. They went on unemployment compensation.

Mr. POAGE. He said either unemployment or some other government compensation, and I think that is clear that they will.

Mr. LATTI. Well, I think the record ought to show, just as a matter of correction, that farmers are not entitled to unemployment compensation when they leave the farm.

Mr. POAGE. I think that is correct. But I do not think that you will deny that these farmers that came from South Carolina, that are now living out here in Washington, D.C., are drawing some kind of Government support, do you?

Mr. LATTI. No, I would not deny that, and——

Mr. POAGE. It averages about \$200 a month. But now, let's follow this one moment here, this argument.

You have just told us, and I agree with you, and I agree with Mr. Olson, that a farmer will stay on the farm and try to work as hard as he can to try to stay there.

Most of them will ultimately lose out in that way, or at least they have in the last few years because they have been moving to town at a rate now close to a quarter of a million a year.

So there are a lot of them losing out.

Now, I took it from your statement that that would reduce production, and Mr. Olson did not challenge it—so I want to challenge it—I think that we must point out that when a man moves to town

and goes broke that the land is still there and that you have not done a thing in the world toward balancing supply and demand except probably make the situation worse because then somebody from Washington, D.C., or Waco, Tex.—some doctor or some lawyer, and I used to practice law, and I am not saying that anybody else is any worse than I am, but somebody who has been sitting under an electric fan or in an air-conditioned building buys that farm. It may be the Metropolitan Life Insurance Co. or the Bankers Life.

Unity Central got a lot down in my country. But somebody gets that farm and owns it, and he has got the money to do a good deal more than "old Tom" had who went broke on it.

He has got the money to put that fertilizer on and he has got the money to buy that tractor. He has got the money to put good stock out there, and he increases rather than decreases the productivity of that land.

And you do not, you simply do not achieve a balance between supply and demand by starving these farmers off the farm.

I think that is the fundamental error of the solution that you offer.

You assume that you can starve the farmers off the farm and thereby bring about a balance between production and demand.

You simply do not decrease production by driving those fellows to town.

Mr. GARVER. Mr. Poage, we have never said that you decrease production that way. We are not in favor of the Government balancing supply and demand. We think this is a function of the market and for the man that buys that farm and runs it like a business. This is the kind of production we want in this country—

Mr. POAGE. The man who buys that farm probably buys it with no idea of making a direct profit—much less a living off of it. I heard it said just today—one of my colleagues was talking to a gentleman about buying a farm, and it was said, "Yes, you get a nice tax deduction."

Sure, I know what he got and you know what he got. Sitting here in an air-conditioned building and he bought a "tax deduction."

Now, it wasn't a tax deduction in the hands of that man who was making a living on it, because he did not get any tax deduction on it.

Mr. GARVER. Mr. Poage, I think the USDA figures still show that farm tenancy, which would have to be in this class, is at about the lowest point in its history.

Mr. POAGE. I agree, but this does not involve farm tenancy, not down in my country, at least.

I can remember when 75 percent of the farms in my part of the country were worked by tenants and today it is 30 percent of them.

No, what has happened is a man in the city has bought those farms. He does not have a tenant out there. He hires somebody by the month and he pays them wages to run that farm for him.

And if the farm takes a loss, that is fine, he has got a fine tax deduction.

But the man who is dependent upon that farm for a livelihood is not making enough income to ever pay an income tax, much less to bother about a tax deduction.

You know it is true and I know it.

Mr. GARVER. I do not agree.

Mr. POAGE. Now, let us see, Mr. Garver, did your organization support pro ratio of crude oil?

Mr. GARVER. I cannot answer at the moment. I just do not know.

Now this was before I had a responsibility for natural resources. If I remember rightly, we supported the legislation, permitting the Interstate Compact.

Mr. POAGE. Certainly, you supported it. The Connally Hot Act makes it a criminal offense to move oil in interstate commerce that was produced in violation of a State pro ratio law, does it not?

Mr. GARVER. That is my understanding.

Mr. POAGE. And you supported it, did you not?

Mr. GARVER. I think we did.

Mr. POAGE. I think you did, too.

Now, that means that you are on record as supporting—not the right of the industry to make a decision—but the right of government without any referendum whatsoever to tell the man who owns an oil well that he cannot produce any more oil than his share of the effective market demand, and that is the wording of the statute “effective market demand.”

You find that is perfectly proper in the oil business to limit production to a share of the effective market demand without any referendum on the part of the producers.

But you find it wicked to allow producers to use for themselves the same tools in regard to agricultural products, do you not?

Mr. GARVER. Mr. Poage, we have never used the word “wicked” nor—

Mr. POAGE. All right. You use whatever word you want to. They all come out to the same thing.

You find it “immoral.” You find it “improper.” You find it “inadvisable.”

You find it undesirable. You find it whatever you want to say. You put the word in it, but you are opposed to letting the farmer do the thing that you imposed upon the oilman without any expression of his views, do you not?

Mr. GARVER. Well, I think the support for oil is on the basis that this is an exhaustible natural resource and not replaced.

Mr. POAGE. If that were true, if that were in fact true, would you not then limit that production to that amount which would not impair the productivity of the field, but the limitation actually, and according to the statute is to the owners’ share of the “effective market demand”?

And that is what you supported, the effective market demand. That is the wording of the statute.

I voted for it as a member of the Senate of Texas nearly 30 years ago.

I think that the proration laws are good.

I am not opposed to them. I am for them, but I never believed that oilmen were entitled to one kind of treatment from their Government and that farmers were some kind of second-class citizen, not entitled to any similar consideration.

How do you distinguish between the oilmen and the farmer?

Mr. GARVER. I do not, sir.

Mr. POAGE. Would you apply the same rules to both?

Mr. GARVER. If I were making the rules I would; yes.

Mr. POAGE. Then which, if you were making the rules, would you do?

Would you repeal the proration laws or would you extend the principle to farmers?

Mr. GARVER. I would repeal the proration laws.

Mr. POAGE. You would repeal the proration laws?

Mr. GARVER. Yes, sir.

Mr. POAGE. Now I sure want the oil people in Texas to understand that, because they will appreciate that attitude on the part of the chamber of commerce, I am quite sure.

Mr. MATTHEWS. Mr. Chairman——

Mr. POAGE. Mr. Matthews.

Mr. MATTHEWS. Mr. Chairman, concerning the movement of the farmer off the farm and into other areas of employment: I think it should be emphasized again and again that you have the problem of the age of the farmer and his skills, and although I have not participated in any research I would still believe that any research would show that farmers who would have to be moved would be, to a large extent, older farmers and, in our section of the country, farmers without the skills that they would need to find other employment.

You remember, Mr. Chairman, last year we discussed the recommendations of the Committee for Economic Development concerning the movement of the farmer from the farm, and we emphasized the tragedy that would befall rural areas, if this should happen.

All of the rural areas in my district, let me say, have been greatly aided by the feed grain program, for example.

Farmers have been able better to pay their mortgages. They have bought more clothes. They have been able to buy more machinery.

They have been able better to stay in the smaller communities of American and contribute to the growth of these communities.

One thing that has caused me great concern in the economy of America lately has been the fact that spending for defense goes to the larger city areas. We find that more and more of the smaller rural areas find great difficulty in achieving prosperity.

All the great defense contracts, billions and billions and billions of dollars, are awarded by Government largess. I suppose that somebody must have this authority, like the Secretary of Agriculture has authority, and these benefits usually go to the big city areas.

So I think we must, as we talk of this program, never forget that the rural areas of our country, the small towns, the towns of 1,000, 1,500, and 2,000 have a right to grow.

I want to testify to the fact that I know, from observations of my own congressional district, that these farm programs have made some growth possible.

In fact, I understand farmers of America received \$1 billion more last year and I think that the farmers in my district got their share. This helped the business community.

I am not making any particular argument, Mr. Garver, but I did want to get that on the record, as I see it.

Thank you, Mr. Chairman.

Mr. POAGE. Thank you.

Are there any other questions?

Mr. MATSUNAGA. Mr. Chairman, I just wanted to have clarified this statement made by Mr. Garver, whether his position of removing all price support from oil was his personal view or that of the chamber of commerce.

Mr. GARVER. Well, I thank you. I tried to get the Chair's attention when we were in the depths of this.

He asked me personally which I would do, and I asked personally.

I could not speak for the chamber of commerce offhand like this without reviewing the work of the Natural Resources Committee and the testimony that they have given.

So this was a personal opinion, and I thank you for underscoring it for me.

Mr. MATSUNAGA. In other words, you are wearing two hats when you testify before this committee?

Mr. GARVER. I am not wearing two hats. I am not testifying on natural resources today.

If, as, and when I testify on natural resources I shall have to do my homework.

Mr. MATSUNAGA. Well, are you not being a little inconsistent, Mr. Garver. If you do represent the chamber of commerce and, as I understand it, you are one of the officers of the chamber——

Mr. GARVER. I am a staff member, not an officer. Officers are elected.

I am appointed.

Mr. MATSUNAGA. So that when you represent your views here, are you not supposed to be representing the views only of the chamber, rather than what you personally think?

Mr. GARVER. Well, it was my understanding that the Chair asked me for a personal opinion, if I were pressed to make a choice of which would I do.

Insofar as the chamber did, and has, supported the interstate oil compact that is the position of the chamber.

If this is inconsistent with our position on agriculture, make the most of it.

Mr. MATSUNAGA. Mr. Chairman, may I proceed to other questions?

Mr. POAGE. Certainly, but may I ask right there if Mr. Garver would be in a position to invite the Natural Resources Committee or any spokesman therefor to appear before this committee at our next meeting?

We would like to invite them down here. I do not want to send them a subpoena, but we would like to invite them if they would care to come.

Would you see that the invitation is conveyed and that we have an answer as to whether they can come or not?

Mr. GARVER. I will carry the message back.

Mr. POAGE. Thank you.

Proceed.

Mr. MATSUNAGA. Mr. Garver, in answer to questions put to you by our chairman, you stated that you did agree that the Federal grain program did reduce production, and yet you stated that you agreed with Mr. Shuman's statement that without a Federal grain program production perhaps would have been made less by the law of supply and demand. Is that not inconsistent?

Mr. GARVER. I think the record will show I did not agree with Mr. Shuman on that point.

I said that I did not think you could answer a speculative question of that kind without some assumptions I was not ready to make.

Mr. MATSUNAGA. Oh, you did not agree with him?

Mr. GARVER. I did not agree with that statement.

Mr. MATSUNAGA. Well, you said in your own statement here that the diversion of Federal grain acreages, which this bill would extend, is aimed at reducing Federal grain reduction and shrinking existing stocks. And in reply to our chairman's questions you indicated that this was being accomplished. Now, if what the law was intended to do is being accomplished I cannot see your consistency in opposing an extension of this program.

Mr. GARVER. The opposition was based on two points, that it is expensive out of proportion to the results and, therefore, not warranted on that score and, secondly, that it conveys too much authority to the executive arm of the Government.

Mr. MATSUNAGA. Supposing now that because of the lack of support programs such as this all the farmers were to move to town—of course, there might be a saving grace in that millionaires who sit in their offices will take over the farms—but supposing the farmers go to town and our production is cut down to a point where the demand is not even being met, would that not create a situation where only the very rich could afford ham and eggs?

Mr. GARVER. Mr. Matsunaga, I think that you will find that the minute you start moving in this direction that farming would become an even more attractive business than it is now to farm people and family farmers.

I do not think your supposition is realistic.

Mr. MATSUNAGA. Well, we have testimony here from farmers that unless the program is extended they will have to quit farming.

And I have had farmers from the various States drop in at my office and tell me this, that unless this program of support is extended they would have to go out of the farming business.

Now, whom are we to believe, the farmers who actually do the work and have been doing the work for generations or one who bases his supposition on pure theory, that the law of supply and demand will take care of it?

Mr. GARVER. The law of supply and demand is the most abused term I know of, among lay people and even among economists.

All that law says, and it is only a description of what goes on, is that if you want to get supply and demand equal you have to do it through price.

Now, it goes out of balance, you say, because you monkey with price, and you have got more than you find demand for or, if you have it the other way, you have the price so low that there is more supply.

Mr. MATTHEWS. Will you yield there?

Mr. MATSUNAGA. Yes, I yield to the gentleman from Florida.

Mr. MATTHEWS. In the field of Government contracts, do you think that the law of supply and demand works?

Today in America I would say a tremendous amount of our economy is based on defense contracts.

Do you think that the law of supply and demand has anything to do with that?

Mr. GARVER. Yes, I do.

Mr. MATTHEWS. How would it?

Mr. GARVER. I do not think you would do very much contracting unless the price offered for the contract was sufficient to get the job done.

Mr. MATTHEWS. Yes, but you talk about the price, you say the price is the important thing.

It is my understanding that about one-third of all our Government contracts are negotiated and that there is no competition of price.

And I am not criticizing. I am not making any point or criticism particularly but I just want to say that one thing that worries me is it seems like we want the so-called law of supply and demand to apply to the farmer when it does not apply to others.

Mr. GARVER. But negotiations is the operation of the law of supply and demand.

Mr. MATTHEWS. But would you not agree that is what we are doing in these farm programs? The Secretary of Agriculture is negotiating to give the farmer a stake in the law of supply and demand?

Mr. GARVER. Well, is it your contention that our whole economic life ought to be negotiated by the Government?

Mr. MATTHEWS. Well, my contention is that a lot of our economic life is not subjected to the law of supply and demand. I think there is another problem that you have to take into consideration, and I know you are familiar with it. The farmer, as he says, constantly buys in a seller's market and he sells in a buyer's market. He is subjected, because of the very nature of his operation, more to caprice than the manufacturer of an automobile, let's say, who, because of the bigness of his operation and other available factors can have a much better opportunity without certain Government programs to adjust his supply and demand.

Mr. GARVER. Well, he is probably in a better bargaining position than the farmer is.

But I would like to go back to your statement about the law of supply and demand, that there is not any part of our economy that is not run by the law of supply and demand——

Mr. MATTHEWS. In the field of labor do you think the cost of labor, and again I am not taking any particular point of view, but do you think that is subjected to the law of supply and demand or is it a product of collective bargaining?

Mr. GARVER. The law of supply and demand is working all the time on our labor and negotiations. And I might say it is because of the attempt to upset the balance between the two that we have so much unemployment and so much automation, because you put the price higher than the demand will take.

Mr. MATTHEWS. Well, according to your argument, if the law of supply and demand applied to labor, it looks like we would get labor for almost nothing, because we certainly have an excess of labor.

I would think again in the field of labor it is collective bargaining that sets the price of the labor and again I am not arguing against the right of labor for free collective bargaining.

The point I am concerned about is that in the field of agriculture it seems unfair to expect a farmer to operate without a benevolent attitude, at least on the part of the Government when other segments of the economy are aided by the Government. For example, the Federal Government builds canals and the owner of the barges has received a subsidy.

In the early days of the railroads the granting to them of Government lands represented a subsidy.

We have more subsidies, either direct or indirect for other industries.

So it would seem to me that these price-support programs, if some of them are ineffective, ought to be improved, but it looks to me like it is a basic tool that the farmer ought to have in order to get a fair share of the benefits of the economy.

It is a small business administration for the farmer, and I think the thing that disturbs me is I just do not believe your great organization is interested at all in this kind of a program for the farmer. Basically, that is the problem, as I see it, with your testimony.

Mr. GARVER. Well I would have to deny lack of interest that you just stated.

Now going back to what you said about the bargaining position, we recognize that every business is different in its bargaining position. I think that farming is the most highly competitive business in this country and because of that the bargaining position is relatively poor, relative to other kinds of operations. But price supports or Government assistance programs of any kind do very little about this because of that very competitive nature in agriculture, that as soon as there are benefits from a program, a Federal program in agriculture, they get put into the competitive stream again.

I made reference earlier to this 10-year period. When they plowed into the cost the benefits they got out of the program, and they did not improve their competitive position in the process. It did not give them income.

It gave them more costs, and it is the terms of these programs.

Now the history of government—the subsidy is the history of government. The word “subsidy” does not frighten us. A subsidy is for government to use to achieve what, in the public interest, the public wants and cannot be otherwise achieved.

Now whether it is barges or railroads or if they want to build up the West or not, this was the decision that the Congress made, the use of subsidies.

So we are not arguing over subsidies.

We are not arguing about the farm program because it is a subsidy. We are talking about the consequences of it in improving farm income which we maintain it does not do.

Mr. MATTHEWS. Mr. Garver, did your organization testify concerning the sugar program last year?

Mr. GARVER. No, sir.

Mr. MATTHEWS. You didn't testify?

Mr. GARVER. No, sir.

Mr. MATTHEWS. This may not have any bearing on this testimony today, but I notice with interest that you are opposed to this feed grains bill because you say it gives the Secretary of Agriculture so much authority.

You will be interested to know that many people last year, were for the sugar program and now are opposed to the proposed feed grains program on account of the fact they say, that the Secretary is given so much power, yet they have gladly accepted the Secretary's power over the sugar program.

Do you know, the sugar program in America gives the Secretary of Agriculture the power actually to set the wages for the people who work in the sugar fields? We gave him the power to set the price of sugar.

Now you are not the guilty one here, let me emphasize, but here is a problem we have with some of our agricultural programs.

Some of the folks who have testified here, are opposed to the Secretary getting so much power from one program, but they do not mind it for another program.

Thank you, Mr. Chairman.

Mr. POAGE. Thank you.

Are there other questions?

If there are not any further questions, we are very much obliged to you, Mr. Garver.

Mr. GARVER. Thank you.

Mr. POAGE. And we appreciate your attendance.

Is there anyone else here who cares to be heard?

(The following communication was also submitted:)

AMERICAN SEED TRADE ASSOCIATION, INC.
Washington, D.C., March 20, 1963.

Congressman W. R. POAGE,
Chairman, Livestock and Feed Grain Subcommittee, House Agricultural Committee,
House Office Building, Washington, D.C.

DEAR CONGRESSMAN POAGE: We understand that H.R. 3874, a bill to make the present feed grain legislature permanent, will be cleared for full committee action on March 26.

As the previous record on the feed grain hearings will indicated, the American Seed Trade Association has been and continues to be interested in the conservation features of this legislation.

We would like to have this letter made a part of the record when the bill is presented to the full committee.

Prior to last year, we had numerous complaints of idle acres that were allowed to grow up to weeds and become infested with rodents and insects. In other instances, the proper precaution was not taken and erosion resulted from summer fallow in areas where this practice had never been used before. These abuses raised many doubts on the legislation in the past, but because these practices were checked more closely during the past year, the complaints have been materially minimized.

It is our belief that the success of the legislation has been the results of the manner in which it has been administered.

It is also our belief that the U.S. Department of Agriculture now has the organization that can successfully continue to check on these practices which should result in greater conservation of the acreage diverted under the program. We believe it is the intent of Congress that sound conservation practices be maintained. It is our hope that the compliance features of the present legislation will be retained and wherever possible strengthened.

Very truly yours,

WILLIAM HECKENDORN,
Executive Secretary.

Mr. POAGE. If not, the committee will stand recessed, subject to a call of the Chair, and I would like to talk to the members of the committee just a moment.

We stand adjourned.

(Whereupon, at 4:10 p.m., the committee adjourned, subject to the call of the Chair.)



FEED GRAIN ACT OF 1963

USDA
National Agricultural
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LEGISLATIVE REPORTING

HEARINGS
BEFORE THE
COMMITTEE ON
AGRICULTURE AND FORESTRY
UNITED STATES SENATE
EIGHTY-EIGHTH CONGRESS
FIRST SESSION
ON
H.R. 4997
AN ACT TO EXTEND THE FEED GRAIN PROGRAM

MAY 3, 6 AND 7, 1963

Printed for the use of the Committee on Agriculture and Forestry



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FEED GRAIN ACT OF 1963

FRIDAY, MAY 3, 1963

U.S. SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D.C.

The committee met, pursuant to notice, at 10:05 a.m., in room 324, Old Senate Office Building, Senator Allen J. Ellender (chairman) presiding.

Present: Senators Ellender (chairman), Holland, Talmadge, Proxmire, Jordan of North Carolina, McCarthy, Neuberger, Edmondson, Aiken, Young of North Dakota, Hickenlooper, Boggs, and Mechem.

The CHAIRMAN. The committee will please come to order.

Pursuant to action taken by this committee last Wednesday Secretary of Agriculture Freeman was asked to appear before us today to testify, in respect to the Feed Grain Act of 1963. The House enacted this bill, H.R. 4997, and the bill is now before the committee for hearings.

(H.R. 4997 follows:)

[H.R. 4997, 88th Cong., 1st sess.]

AN ACT To extend the feed grain program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Feed Grain Act of 1963."

SEC. 2. Section 105 of the Agricultural Act of 1949, as amended is amended—

(1) by changing the period at the end of subsection (a) to a colon and adding the following: "*Provided*, That in the case of any crop for which an acreage diversion program is in effect for feed grains, the level of price support for corn of such crop shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines necessary to achieve the acreage reduction goal established by him for the crop."

(2) by adding the following new subsection (d):

"(d) The provision of this subsection shall be applicable with respect to the 1964 crop and the 1965 crop of feed grains if an acreage diversion program is in effect under section 16(h) of the Soil Conservation and Domestic Allotment Act, as amended. The Secretary shall require as a condition of eligibility for price support on the crop of any feed grain which is included in the acreage diversion program so that the producer shall participate in the diversion program to the extent prescribed by the Secretary, and, if no diversion program is in effect for the 1964 crop or the 1965 crop, he may require as a condition of eligibility for price support on such crop of feed grains that the producer shall not exceed his feed grain base: *Provided*, That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the acreage diversion program for feed grains if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960, and does not devote any

acreage devoted to the production of oats and rye in 1959 and 1960 to the production of wheat pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962. Such portion of the support price for any feed grain included in the acreage diversion program as the Secretary determines desirable to assure that the benefits of the price support and diversion programs inure primarily to those producers who cooperate in reducing their acreage of feed grains shall be made available to producers through payments in kind. Such payments in kind shall be made on the number of bushels of such feed grain determined by multiplying the actual acreage of such feed grain planted on the farm for harvest by the adjusted average yield per acre. The base period used in determining such adjusted average yield shall be the same as that used for purposes of the acreage diversion program formulated under section 16(h) of the Soil Conservation and Domestic Allotment Act, as amended. The Secretary may make not to exceed 50 per centum of any payments hereunder to producers in advance of determination of performance. Such payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains (such feed grains to be valued by the Secretary at not less than the current support price minus that part of the current support price made available through payments in kind, plus reasonable carrying charges) and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. The Secretary shall provide for the sharing of such certificates among the producers on the farm on the basis of their respective shares in the crop produced on the farm with respect to which such certificates are issued, or the proceeds therefrom. If the operator of the farm elects to participate in the acreage diversion program, price support for feed grains included in the program shall be made available to the producers on such farm only if such producers divert from the production on such feed grains in accordance with the provisions of such program an acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide."

SEC. 3. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(h) Notwithstanding any other provision of law—

"(1) For the 1964 crop and the 1965 crop of feed grains, if the Secretary determines that the total supply of feed grains will, in the absence of an acreage diversion program, likely be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet any national emergency, he may formulate and carry out an acreage diversion program for feed grains, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of feed grains to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conservation crops or practices including summer fallow and idle land by an equal amount. Payments shall not be made in amounts in excess of 50 per centum of the estimated basic county support rate, including that part of the support price made available through payments in kind, on the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre. Notwithstanding the foregoing provisions, the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses, and no price support shall be made available for the production of any such crop on such diverted acreage. The base period for the purpose of determining the ad-

justed average yield in the case of payments with respect to the 1964 crop shall be the four-year period 1959-1962, and in the case of payments with respect to the 1965 crop shall be the five-year period 1959-1963. The term 'feed grains' means corn, grain sorghums, barley, and, if for any crop the producer so requests for purposes of having acreage devoted to the production of wheat considered as devoted to the production of feed grains, pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962, the term 'feed grains' shall include oats and rye: *Provided*, That acreages of corn, grain sorghums, and barley shall not be planted in lieu of acreages of oats and rye: *Provided further*, That the acreage devoted to the production of wheat shall not be considered as an acreage of feed grains for purposes of establishing the feed grain base acreage for the farm for subsequent crops. Such feed grain diversion program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The acreage eligible for participation in the program shall be such acreage (not to exceed 50 per centum of the average acreage on the farm devoted to feed grains in the crop years 1959 and 1960 or twenty-five acres, whichever is greater) as the Secretary determines necessary to achieve the acreage reduction goal for the crop. Payments shall be made in kind. The average acreage of wheat produced on the farm during the crop years 1959, 1960, and 1961, pursuant to the exemption provided in section 335(f) of the Agricultural Adjustment Act of 1938, prior to its repeal by the Food and Agriculture Act of 1962, in excess of the small farm base acreage for wheat established under section 335 of the Agricultural Adjustment Act of 1938, as amended, shall be considered as an acreage of feed grains produced in the crop years of 1959 and 1960 for purposes of establishing the feed grain base acreage for the farm, and the rate of payment for diverting such wheat shall be an amount determined by the Secretary to be fair and reasonable in relation to the rates of payment for diverting feed grains. The Secretary may make such adjustments in acreage and yields as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual acreages and yields for the farm, such acreages and yields shall be used in making determinations. Notwithstanding any other provision of this subsection (l)(1), the Secretary may, upon unanimous request of the State committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county to the extent he determines such adjustment to be necessary in order to establish fair and equitable feed grain bases for farms within such State or county. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance: *Provided*, That in no event shall the Secretary in the crop years 1964 or 1965 make payments to any producers under this section 16(h) and under section 105(d) of the Agricultural Act of 1949, as amended, in excess of 20 per centum of the fair market value of any acreage involved. Notwithstanding any other provision of this subsection (h)(1), barley shall not be included in the program for a producer of malting barley exempted pursuant to section 105(d) of the Agricultural Act of 1949 who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

"(2) Notwithstanding any other provision of this subsection, not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: Suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm

in each of the crop years 1959 and 1960 for purposes of this subsection except that producers on such farm shall not be eligible for conservation payments for the first year for which the feed grain base is established.

"(3) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(h).

"(4) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

"(5) Payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. Feed grains with which Commodity Credit Corporation redeems certificates pursuant to this paragraph shall be valued at not less than the current support price, minus that part of the current support price made available through payments in kind, plus reasonable carrying charges.

"(6) Notwithstanding any other provision of law, the Secretary may, by mutual agreement with the producer, terminate or modify any agreement previously entered into pursuant to this subsection if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of feed grains."

SEC. 4. Section 326 of the Food and Agriculture Act of 1962, as amended, is amended by deleting the word "and" immediately preceding "(g)" and inserting immediately after "(g)" the following: "and (h)."

Passed the House of Representatives April 25, 1963.

Attest:

RALPH R. ROBERTS, *Clerk*.

The CHAIRMAN. Mr. Secretary, I notice that you have a prepared statement.

Secretary FREEMAN. Yes, Mr. Chairman.

The CHAIRMAN. Would you like to proceed with it?

Secretary FREEMAN. If I might, sir, I would appreciate it. It is very short.

The CHAIRMAN. All right, you may proceed, sir.

STATEMENT OF HON. ORVILLE L. FREEMAN, SECRETARY OF AGRICULTURE

Secretary FREEMAN. Mr. Chairman and members of the committee, I am happy to have this opportunity to discuss with you the importance of prompt action by this committee on H.R. 4997, to extend the voluntary feed grain program. Your prompt and favorable consideration of this legislation is of critical importance for two reasons:

First, this legislation is needed if we are to continue the significant progress toward bringing our surplus stocks of feed grains in line with our needs while we reduce the costs of these programs and protect farm income. Without this legislation, we will, under law, return to a program of unlimited production and low level price supports which resulted in record level stocks, high costs, and reduced incomes.

Secondly, prompt enactment of this bill is important if we are to give the wheat farmer all the available facts and information he is entitled to before he casts his vote in the May 21 referendum.

When the Congress passed the long-range wheat program last year, it approved the principle of substitution or interchangeability of feed

grains and wheat on U.S. farms. Enactment of a feed grain diversion program was required, however, before this provision would become useable.

Such substitution is important because most wheat farmers also produce feed grains, and because farmers want and should have all the personal freedom and production flexibility which can be worked into effective price and income support programs.

Before they vote in the wheat referendum May 21, 1963, farmers have a right to know the full story of the flexibility possible on their farms by means of substitution under the combined wheat-feed grains program. The grain industry deserves to know as soon as possible of the new importance of market forces in determining what combination of crops farmers will grow in 1964 under these programs—where wheat acres are potential feed grain acres, and feed-grain lands are potential wheat lands.

In the Corn Belt and the Southeast, for example, farmers can combine their corn and wheat acreage, divert a small percentage to conservation uses or possibly other crops, and then plant all corn, or all wheat, or any combination of grains they choose to plant.

In the Northwest, where wheat is the traditional feed grain, a typical farmer with 1,200 acres in the Columbia Basin of Oregon had about 600 acres of wheat prior to the time wheat allotments were reestablished in the 1950's. As his wheat acreage was reduced to about 400 acres, 200 acres of barley or rye were planted. In 1964 under the wheat-feed grain program, this farmer can again plant nearly 600 acres of wheat, after he has diverted a small portion of his acreage to conservation uses.

In the Great Plains, a typical wheat farmer with 960 acres grew about 400 acres of wheat prior to 1953. By 1961, his wheat allotment was 270 acres, and his feed grains were up to 130 acres. In 1964, these two acreages—in the Plains or on any farm—can be planted to any combination of grains the farmer chooses to plant in response to market forces or his own preferences, once a small acreage is diverted.

These provisions will not adversely affect either the supply of wheat or feed grains. Where more wheat is produced, less corn or barley will be grown. With wheat grown on feed grain acres priced at feed grain levels, it will be fed—just as if it were barley or corn.

Thus, the new programs for wheat and feed grains give the farmer greater freedom in the operation of his farm while he still maintains the security of price supports. It is only fair that farmers should know before they vote in the referendum whether the Congress will provide this new flexibility to their operation by passing a feed grain law.

This, however, is only one reason why this legislation deserves your support. The feed grain bill stands on its own merits. The success of the feed grain program in 1961 and 1962 speaks for itself.

The feed grain program has contributed significantly to the \$1.1 billion increase in net farm income in 1961 over 1960, and to the \$1.2 billion increase in 1962 as compared to 1960.

Average income per farm in 1962 was up 18 percent over 1960; from \$2,960 to \$3,498.

The feed grain program has reduced the record level of feed grain surpluses. In the first 2 years of operation, the feed grain program

has reduced stocks from the alltime high of 84.7 million tons to 61 million tons. We expect a continued drop in surplus stocks to around 53 million tons at the end of the 1963 marketing year. Please note in table 1 that carryover stocks increased steadily from 1953 through 1960 but since 1961 have dropped sharply each year.

The feed grain program has produced substantial savings to the taxpayer. In my first appearance before a congressional committee in support of feed grain legislation (on February 21, 1961), I said: "It will cost the taxpayers some \$500 million less than the present program." This estimate has proven to be conservative—our current estimate of ultimate savings to the taxpayer resulting from the 1961 feed grain program is \$591 million.

Table No. 2, labeled "table No. 5," by mistake, because it was taken out of some others, also, attached, goes into some detail in connection with the reduction and with, also, the increase that would have resulted without a program. These figures, I think, are quite revealing. They have been thoroughly and carefully checked and establish, I believe, the points I make here.

Our current estimate of the ultimate savings to the taxpayers from the 1962 program is \$634 million, and it is \$143 million for the 1963 program. These add up to \$1,368 million for all three programs. Again, documented with specific figures on table No. 2, headed "table No. 5" here, the second table, however.

Based on the conservative estimates of production avoided by these three programs, the savings to taxpayers will amount to approximately 50 cents per bushel.

We currently estimate, on the basis of the known size of the 1962 crop, that stocks under CCC loan and in CCC inventory on October 1, 1963, will be 1,114 million bushels less than as of October 1, 1961, the end of the marketing year for the 1960 crop. This quantity would represent savings in carrying charges of over \$800,000 per day.

How has the program affected the consumer? They have had fair and stable food prices during the past 2 years. Retail food prices, while increasing slightly, have followed the changes in the consumer price index for all goods and services in 1961 and 1962. Thus, the relative position of food prices in the cost of living has been quite stable.

We would expect little or no change in 1963 or in subsequent years as a result of this legislation.

There is yet another reason which supports the extension of the feed grain program. An analysis of the livestock industry since this program first became effective shows an increasingly favorable effect on hog and cattle production and prices compared to recent years. The feed grain program has helped to prevent a sharp decline in cattle and hog prices than would have taken place had no action been taken to reverse the supply buildup. It has thus narrowed and softened the cyclical pattern of price changes which characterize hogs particularly.

The feed grain program is the most effective guardian of fair and reasonable livestock prices. It is for this reason that the Department has no plans, nor is it prepared to support any proposal, for a supply management program in livestock.

It is appropriate that this committee should consider the alternative to enactment of this bill. There is no authority after 1963 for a diversion payment on feed grains. Furthermore, the law directs the Secre-

tary of Agriculture to establish price supports for corn and other feed grains at such levels as will not add to surplus stocks. The effect of this would be price supports in the range of 80 cents a bushel on corn, with a comparable level for other grains. Although this is a disastrously low price level, return to unlimited production would probably lead to further accumulation of surplus stocks. Certainly, prices for hogs, cattle, poultry, dairy products, and other commodities would fall sharply.

Mr. Chairman, the accomplishments of the voluntary feed grain program, considered against the background of the alternative to no action, speaks clearly that the program deserves the full support of this committee.

The CHAIRMAN. Table No. 1 and table No. 5, which are attached to your statement, are included in the document which you furnished the committee on the results of the feed grain program. The document, along with a summary sheet on the feed grain programs and a statistical report on the 1963 program will be inserted in the record at this point.

(The material referred to above is as follows:)

Feed grain program summary

| | 1961 | 1962 | 1963 |
|--|-----------------|--------------------|--------------------|
| | Million dollars | | |
| Cost of program: | | | |
| Diversion payments..... | 782 | 842 | 472 |
| Price support payments..... | | | 400 |
| Administrative costs..... | 42 | 29 | 30 |
| Total..... | 824 | 871 | 902 |
| | Million acres | | |
| Acres diverted: | | | |
| Corn..... | 19.1 | 20.4 | 17.7 |
| Sorghum grain..... | 6.1 | 5.7 | 4.9 |
| Barley..... | | 2.5 | 3.1 |
| Total..... | 25.2 | 28.6 | 25.7 |
| | Million bushels | | |
| Reduction in production below 1960: | | | |
| Corn..... | 282.0 | 264.0 | |
| Sorghum grain..... | 140.0 | 111.0 | |
| Barley..... | | 2.0 | |
| Total..... | 422.0 | 377.0 | |
| Reduction in feed grain stocks: ¹ | | | |
| CCC stocks: | | | |
| Corn..... | 418.7 | ² 234.4 | ² 155.0 |
| Sorghum grain..... | 9.8 | ² 34.2 | ² 30.0 |
| Barley..... | 45.8 | ² +5.2 | ² 15.0 |
| Total, CCC..... | 474.3 | ² 263.4 | ² 190.0 |
| All stocks: | | | |
| Corn..... | 368.0 | ² 340.0 | ² 205.0 |
| Sorghum grain..... | 41.0 | ² 36.0 | ² 50.0 |
| Barley..... | 30.0 | ² +2.0 | ² 15.0 |
| Total..... | 439.0 | ² 374.0 | ² 270.0 |
| | Million dollars | | |
| CCC investment in feed grains, June 30..... | 3,360.1 | 2,594.0 | 2,366.3 |

¹ At end of marketing year beginning Oct. 1.

² Estimates.

RESULTS OF THE VOLUNTARY FEED GRAIN PROGRAM

The 1961 and 1962 voluntary feed grain programs resulted in (1) reducing carryover stocks of feed grains, (2) reducing CCC investment in feed grains, and (3) reducing Government costs for storage and handling of unneeded production.

At the beginning of the 1961 marketing year feed grain stocks amounted to 84.7 million tons. Each year, beginning with 1952, production had outstripped use, but in 1961, production was reduced to less than 141 million tons—about 13 million tons below disappearance. Under the 1962 program stocks were again reduced by around 11 million tons.

Total production, disappearance, and change in stocks beginning with 1953 are shown on table 1. This table also indicates the Department's estimates of changes in stocks resulting from the 1963 program and the changes in stocks that should be made in 1964 and 1965, so as to bring total stocks down to levels they feel desirable. In addition, the table shows the Department's estimates of production and stocks change which might have occurred if these programs had not been in effect.

The total stocks of feed grains, by crops, is summarized in table 2.

These programs have resulted in reducing CCC's investment in feed grains. At the beginning of these programs CCC investment in feed grains amounted to nearly \$3.4 billion. By the end of the 1963 fiscal year the investment is expected to be down to \$2.1 billion (table 3).

Most of the reductions in stocks are in those owned or controlled by the Government. This is shown in table 4.

A breakdown of CCC investment by crops—dollars and quantities—are shown in tables 3a and 4a.

As indicated in table 1, total feed grain stocks in 1961 were reduced by 12.9 million tons. The Department estimates that if this program had not been in effect stocks would have increased approximately 6.8 million tons, a net difference of 19.7 million tons. For 1962 they estimated that the net difference in stocks would amount to approximately 23.2 million tons and that for 1963 by about 18.2 million tons.

The Department has estimated that the ultimate net saving due to the operations of the feed grain programs after deducting all costs, including acreage diversion payments will be about as follows:

| | <i>Millions</i> |
|-------------------|-----------------|
| 1961 program----- | \$591 |
| 1962 program----- | 634 |
| 1963 program----- | 143 |
| Total----- | 1, 368 |

These ultimate savings are based on acquisitions avoided as follows:

| | <i>Million bushels</i> |
|------------|------------------------|
| 1961----- | 704 |
| 1962----- | 820 |
| 1963----- | 625 |
| Total----- | 2, 149 |

This is shown in table 5. Storage and handling costs are summarized in table 5a.

In 1961 and 1962 producers voluntarily retired from production around 25 million acres under the 1961 program and nearly 29 million acres under the 1962 program. Diversion payments to farmers totaled \$782 million in 1961, \$842 million in 1962, and the 1963 estimate amounts to \$472 million. In 1963, price support payments are estimated at \$400 million. The extent to which farmers participated in the voluntary 1961, 1962, and 1963 feed grain programs are shown on table 6.

Value of production for feed grains (excluding oats) are shown in table 7. The index of prices received by farmers for all commodities and for feed grains—excluding payments, however, are shown in table 8.

The prices received by farmers for corn and grain sorghums, as well as the Department's estimates of those that would have prevailed if these voluntary programs had not been in effect, are shown in table 9.

Table 10 summarizes the harvested acreage for each of the four feed grains for 1952 through 1962. The amount by which production was below 1960, by crops, is shown in table 11. Table 12 shows changes in total stocks from the beginning of the 1961 marketing year.

TABLE 1.—*Feed grains: Production, disappearance, and change in stocks 1953-62 with estimates for 1963-65 with and without the feed-grain program*

[In million tons]

| Year | Production | Disappearance | Change in carryover stocks adjusted for imports |
|---|------------|---------------|---|
| Actual: | | | |
| 1953..... | 108.3 | 105.8 | +4.7 |
| 1954..... | 114.1 | 107.6 | +7.4 |
| 1955..... | 120.8 | 117.5 | +4.1 |
| 1956..... | 119.3 | 114.6 | +5.6 |
| 1957..... | 132.4 | 123.2 | +10.2 |
| 1958..... | 144.1 | 136.0 | +8.5 |
| 1959..... | 149.6 | 143.0 | +7.1 |
| 1960..... | 155.6 | 145.9 | +10.1 |
| 1961..... | 140.6 | 154.0 | -12.9 |
| Estimated: | | | |
| 1962..... | 143.1 | 154.2 | -10.8 |
| 1963..... | 147.0 | 155.0 | -7.7 |
| Estimated if H. R. 4997 is enacted: | | | |
| 1964..... | 150.0 | 157.0 | -6.7 |
| 1965..... | 156.0 | 158.0 | -1.7 |
| Estimated if programs had not been in effect: | | | |
| 1961..... | 164.0 | 157.7 | +6.8 |
| 1962..... | 171.0 | 159.0 | +12.4 |
| 1963..... | 170.0 | 160.1 | +10.5 |

TABLE 2.—*Total stocks of feed grains at end of the marketing year*

[In millions]

| Crop | Corn | Grain sorghums | Barley | Oats | Total, 4 feed grains |
|---|----------------|----------------|----------------|----------------|----------------------|
| | <i>Bushels</i> | <i>Bushels</i> | <i>Bushels</i> | <i>Bushels</i> | <i>Tons</i> |
| 1952..... | 769 | 8 | 51 | 249 | 27.0 |
| 1953..... | 920 | 22 | 71 | 227 | 31.7 |
| 1954..... | 1,035 | 75 | 131 | 303 | 39.1 |
| 1955..... | 1,165 | 81 | 117 | 346 | 43.2 |
| 1956..... | 1,419 | 79 | 127 | 240 | 48.8 |
| 1957..... | 1,469 | 309 | 169 | 324 | 59.0 |
| 1958..... | 1,524 | 510 | 195 | 366 | 67.5 |
| 1959..... | 1,787 | 581 | 167 | 267 | 74.6 |
| 1960..... | 2,008 | 702 | 153 | 325 | 84.7 |
| 1961..... | 1,640 | 661 | 123 | 277 | 71.8 |
| 1962..... | 1,300 | 625 | 125 | 275 | 61.0 |
| 1963 estimated..... | 1,095 | 575 | 110 | 250 | 53.3 |
| Estimated if H. R. 4997 is enacted: | | | | | |
| 1964..... | 965 | 470 | 100 | 250 | 46.6 |
| 1965..... | 950 | 430 | 100 | 250 | 45.0 |
| Estimated if programs had not been in effect: | | | | | |
| 1961..... | 2,210 | 795 | 123 | 277 | 91.5 |
| 1962..... | 2,550 | 875 | 150 | 275 | 103.9 |
| 1963..... | 2,825 | 975 | 150 | 275 | 114.4 |

COMMODITY CREDIT CORPORATION

TABLE 3.—*Feed grains: Investment in price support*

[In millions of dollars]

| Fiscal year (ending June 30): | Investment in price support ¹ |
|-------------------------------|--|
| Actual: | |
| 1953..... | \$815.5 |
| 1954..... | 1,339.7 |
| 1955..... | 1,690.6 |
| 1956..... | 2,019.5 |
| 1957..... | 2,201.1 |
| 1958..... | 2,632.7 |
| 1959..... | 2,879.9 |
| 1960..... | 3,121.1 |
| 1961..... | 3,360.1 |
| 1962..... | 2,594.0 |
| Estimated: | |
| 1963..... | 2,366.3 |
| 1964..... | 2,117.8 |

¹ On revised accounting basis.

TABLE 3a.—*Feed grain investment by CCC in loans and inventory, by fiscal year*
 [In millions of dollars]

| Item | 1960 | | | 1961 | | | 1962 | | | 1963 | | | 1964 | | |
|-------------------------------------|-------|-----------|---------|-------|-----------|---------|---------|-----------|---------|---------|-----------|---------|-------|-----------|---------|
| | Loans | Inventory | Total | Loans | Inventory | Total | Loans | Inventory | Total | Loans | Inventory | Total | Loans | Inventory | Total |
| Investment in price support, value: | | | | | | | | | | | | | | | |
| Corn..... | 646.4 | 1,700.0 | 2,346.4 | 781.7 | 1,696.4 | 2,478.1 | 1,040.4 | 737.3 | 1,777.7 | 932.5 | 531.3 | 1,563.8 | 852.8 | 497.8 | 1,350.6 |
| Grain sorghums..... | 14.1 | 646.3 | 660.4 | 19.6 | 760.0 | 779.6 | 15.7 | 739.8 | 755.5 | 19.6 | 712.2 | 731.8 | 14.5 | 700.4 | 714.9 |
| Barley..... | 26.8 | 67.4 | 94.2 | 33.8 | 48.3 | 82.1 | 12.6 | 30.0 | 42.6 | 12.1 | 37.1 | 49.2 | 8.1 | 27.6 | 35.7 |
| Oats..... | 10.7 | 9.4 | 20.1 | 13.9 | 6.4 | 20.3 | 7.6 | 10.6 | 18.2 | 8.0 | 13.5 | 21.5 | 5.9 | 13.7 | 16.6 |
| Rye..... | .2 | 5.9 | 6.1 | 1.3 | 4.4 | 5.7 | .1 | 2.5 | 2.6 | .2 | 1.6 | 1.8 | .2 | 3.9 | 4.1 |
| Total..... | 698.2 | 2,429.0 | 3,127.2 | 850.3 | 2,515.5 | 3,365.8 | 1,076.4 | 1,520.2 | 2,596.6 | 1,022.4 | 1,345.7 | 2,368.1 | 881.5 | 1,240.4 | 2,121.9 |

TABLE 4.—*Feed grains; Stocks at beginning of marketing year*

[In million tons]

| Marketing year | Stocks at beginning of year | | |
|-------------------------------------|-----------------------------|-------|-------|
| | Government | Other | Total |
| 1952..... | 9.0 | 11.1 | 20.1 |
| 1953..... | 16.6 | 10.4 | 27.0 |
| 1954..... | 22.6 | 9.1 | 31.7 |
| 1955..... | 29.7 | 9.4 | 39.1 |
| 1956..... | 34.7 | 8.5 | 43.2 |
| 1957..... | 40.8 | 8.0 | 48.8 |
| 1958..... | 49.7 | 9.3 | 59.0 |
| 1959..... | 58.0 | 9.5 | 67.5 |
| 1960..... | 65.7 | 8.9 | 74.6 |
| 1961..... | 74.6 | 10.1 | 84.7 |
| 1962 ¹ | 62.4 | 9.4 | 71.8 |
| Estimated: | | | |
| 1963..... | 51.0 | 10.0 | 61.0 |
| 1964..... | 43.3 | 10.0 | 53.3 |
| Estimated if H. R. 4997 is enacted: | | | |
| 1965..... | 38.1 | 9.5 | 47.6 |
| 1966..... | 35.9 | 9.0 | 44.9 |

¹ Preliminary.

TABLE 4a.—*Investment—Quantity fiscal years*
 [In million bushels]

| Item | 1960 | | | 1961 | | | 1962 | | | 1963 | | | 1964 | | |
|---------------------|-------|------------|---------|-------|------------|---------|-------|------------|---------|-------|------------|---------|-------|------------|---------|
| | Loans | Investment | Total | Loans | Investment | Total | Loans | Investment | Total | Loans | Investment | Total | Loans | Investment | Total |
| Corn..... | 578.9 | 1,153.2 | 1,737.1 | 742.1 | 1,261.0 | 2,003.1 | 925.6 | 658.8 | 1,584.4 | 875.0 | 475.0 | 1,350.0 | 775.0 | 420.0 | 1,195.0 |
| Grain sorghums..... | 15.3 | 570.1 | 585.4 | 22.4 | 700.6 | 723.0 | 17.1 | 687.1 | 704.2 | 20.0 | 650.0 | 670.0 | 15.0 | 625.0 | 640.0 |
| Barley..... | 32.8 | 71.1 | 103.9 | 41.8 | 53.8 | 95.6 | 15.7 | 34.1 | 49.8 | 15.0 | 40.0 | 55.0 | 10.0 | 30.0 | 40.0 |
| Oats..... | 20.6 | 15.1 | 35.7 | 27.6 | 10.4 | 38.0 | 14.8 | 16.7 | 31.5 | 15.0 | 20.0 | 35.0 | 10.0 | 15.0 | 25.0 |
| Rye..... | .2 | 5.3 | 5.5 | 1.6 | 4.3 | 5.9 | .2 | 2.6 | 2.8 | .2 | 1.6 | 1.8 | .2 | 3.4 | 3.6 |
| Total..... | 647.8 | 1,819.8 | 2,467.6 | 835.5 | 2,030.1 | 2,865.6 | 973.4 | 1,399.3 | 2,372.7 | 925.2 | 1,186.6 | 2,111.8 | 810.2 | 1,093.4 | 1,903.6 |

TABLE 5.—*Summary data concerning operation of 1961, 1962, and 1963 feed grain programs compared with 1960 crop*

| Item | Crop ¹ | | | |
|--|-------------------|--------|---------------------|---------------------|
| | 1960 | 1961 | 1962 | 1963 |
| Production (million bushels): | | | | |
| Actual..... | 4, 959 | 4, 502 | 4, 582 | ² 4, 745 |
| Estimated without acreage diversion..... | | 5, 336 | 5, 590 | 5, 595 |
| Avoided by acreage diversion..... | | 834 | 1, 008 | 850 |
| CCC holdings, end of marketing year for crop (milliou bushels): | | | | |
| Actual..... | 2, 740 | 2, 290 | ² 1, 880 | ² 1, 610 |
| Reduction from prior year..... | | 450 | 410 | 270 |
| Increase that would have occurred without acreage diversion..... | | 254 | 410 | 355 |
| Effective decrease in CCC stocks due to acreage diversion..... | | 704 | 820 | 625 |
| Costs incurred (million dollars): | | | | |
| Acreage diversion payments..... | | 782 | 842 | 472 |
| Price-support payments..... | | | | 403 |
| Operating expenses..... | | 42 | 29 | 30 |
| Total..... | | 824 | 871 | 905 |
| Costs avoided (million dollars): | | | | |
| Acquisition of commodities (allowing for recovery of 50 percent on disposition)..... | | 356 | 417 | 307 |
| Carrying charges to ultimate disposition ³ | | 1, 059 | 1, 088 | 741 |
| Total..... | | 1, 415 | 1, 505 | 1, 048 |
| Ultimate net savings resulting from acreage diversion programs..... | | 591 | 634 | 143 |

¹ Includes corn, grain sorghums, and barley.² Estimated.³ Storage and handling, transportation, and interest costs.

Source: USDA.

TABLE 5a.—*Feed Grains: Storage and handling charges*

(In millions of dollars)

| Fiscal year (ending June 30): | Storage and handling charges |
|-------------------------------|------------------------------|
| Actual: | |
| 1953..... | 20. 5 |
| 1954..... | 35. 6 |
| 1955..... | 54. 9 |
| 1956..... | 90. 0 |
| 1957..... | 128. 6 |
| 1958..... | 158. 3 |
| 1959..... | 200. 6 |
| 1960..... | 238. 0 |
| 1961..... | 224. 8 |
| 1962..... | 213. 5 |
| Estimated: | |
| 1963..... | 169. 0 |
| 1964..... | 155. 6 |

TABLE 6.—*Land diversion and price support payments*

| Item | Unit | 1961 | Preliminary, 1962 | Estimated, 1963 |
|--|----------------------|------------------------|-------------------|-----------------|
| Farms participating..... | Million..... | 1, 147. 0 | 1, 342. 0 | 1, 248. 0 |
| Base acres on participating farms..... | Million acres..... | 63. 6 | 68. 2 | 76. 5 |
| Acres diverted for payment..... | do..... | 25. 2 | 28. 6 | 25. 7 |
| Estimated payments..... | Million dollars..... | 782. 0 | 842. 0 | 472. 0 |
| | | Price support payments | | |
| Total estimated..... | do..... | | | 400 |

TABLE 7.—*Feed grains excluding oats—Value of production including land diversion and price support payments*

| | | Total value in millions |
|----------------------------|-------|----------------------------|
| Crop: | | |
| 1953 | ----- | \$4, 727 |
| 1954 | ----- | 4, 577 |
| 1955 | ----- | 4, 457 |
| 1956 | ----- | 4, 574 |
| 1957 | ----- | 4, 033 |
| 1958 | ----- | 4, 763 |
| 1959 | ----- | 4, 812 |
| 1960 | ----- | 4, 775 |
| With program: | | |
| 1961 | ----- | 5, 550 |
| 1962 preliminary | ----- | 5, 751 |
| 1963 estimated | ----- | 5, 955 |
| Without program estimates: | | |
| 1961 | ----- | 5, 100 |
| 1962 | ----- | 5, 309 |
| 1963 | ----- | 5, 300 |

TABLE 8.—*Index of prices received by farmers for all commodities and feed grains, 1952-62*

[1910-14=100]

| Year | All commodities | Feed grains | Year | All commodities | Feed grains |
|------|--------------------|-------------|--------------------|--------------------|-------------|
| 1952 | 288 | 242 | 1960 | 238 | 150 |
| 1953 | 255 | 212 | 1961 | 240 | 151 |
| 1954 | 246 | 209 | 1962 | 243 | 153 |
| 1955 | 232 | 187 | 1963: ¹ | | |
| 1956 | 230 | 186 | January | 244 (242) | 154 (150) |
| 1957 | 235 | 169 | February | 242 (243) | 158 (150) |
| 1958 | 250 | 156 | March | 240 (244) | 158 (151) |
| 1959 | 240 | 157 | | | |

¹ Figures in parentheses are comparable months in 1962.TABLE 9.—*Average price received by farmers*

| Crop year ¹ | Corn (bushels) | Grain sor- ghums (hun- dredweight) |
|------------------------------------|-------------------|--|
| 1953-54 | \$1.44 | \$2.28 |
| 1954-55 | 1.37 | 2.13 |
| 1955-56 | 1.38 | 1.89 |
| 1956-57 | 1.21 | 1.96 |
| 1957-58 | 1.07 | 1.66 |
| 1958-59 | 1.08 | 1.71 |
| 1959-60 | 1.03 | 1.52 |
| 1960-61 | .990 | 1.54 |
| 1961-62 preliminary | .994 | 1.68 |
| 1962-63 estimated | 1.04 | 1.70 |
| 1963-64 estimated ² | 1.07 | 1.70 |
| Estimated if H.R. 4997 is enacted: | | |
| 1964-65 ³ | 1.10 | 1.75 |
| 1965-66 ³ | 1.10 | 1.75 |

¹ Oct. 1-Sept. 30.² Excludes \$.03 per bushel payment for price support for corn and \$.06 per bushel for grain sorghums.³ Excludes price support payment.

Source: "Grain and Feed Statistics through 1961," Statistical Bulletin 159, revised June 1962.

TABLE 10.—*Feed grains: Acres harvested and yields, 1953-62*

[In million acres]

| Year | Corn | Grain sorghums | Barley | Oats | Total 4 feed grains |
|--|------|----------------|--------|------|---------------------|
| 1952..... | 71.4 | 5.3 | 8.2 | 37.0 | 121.9 |
| 1953..... | 70.7 | 6.3 | 8.7 | 37.5 | 123.2 |
| 1954..... | 68.7 | 11.7 | 13.4 | 40.6 | 134.3 |
| 1955..... | 68.5 | 12.9 | 14.5 | 39.0 | 134.9 |
| 1956..... | 64.9 | 9.2 | 12.9 | 33.3 | 120.3 |
| 1957..... | 63.1 | 19.7 | 14.9 | 34.1 | 131.7 |
| 1958..... | 63.5 | 16.5 | 14.8 | 31.2 | 126.1 |
| 1959..... | 72.1 | 15.4 | 14.9 | 27.8 | 130.2 |
| 1960..... | 71.6 | 15.6 | 13.9 | 26.6 | 127.8 |
| 1961..... | 58.4 | 11.0 | 12.9 | 24.0 | 106.3 |
| 1962..... | 56.8 | 11.5 | 12.4 | 22.9 | 103.8 |
| | | | | | Pounds |
| Crop yields, bushels per harvested acre: | | | | | |
| 1952..... | 41.8 | 17.0 | 27.7 | 32.9 | 1,820 |
| 1953..... | 40.7 | 18.4 | 28.4 | 30.7 | 1,757 |
| 1954..... | 39.4 | 20.1 | 28.4 | 34.8 | 1,699 |
| 1955..... | 42.0 | 18.8 | 27.8 | 38.3 | 1,792 |
| 1956..... | 47.4 | 22.2 | 29.3 | 34.5 | 1,984 |
| 1957..... | 48.3 | 28.8 | 29.8 | 37.9 | 2,011 |
| 1958..... | 52.8 | 35.2 | 32.3 | 44.8 | 2,286 |
| 1959..... | 53.1 | 36.0 | 28.3 | 37.9 | 2,298 |
| 1960..... | 54.5 | 39.8 | 30.9 | 43.4 | 2,435 |
| 1961..... | 62.0 | 43.8 | 30.6 | 42.2 | 2,645 |
| 1962..... | 64.1 | 44.1 | 34.5 | 45.0 | 2,758 |

Source: "Crop Production, 1962 Annual Summary," USDA.

TABLE 11.—*Feed grains: 1960 production and amount by which production in 1961-64 is below 1960*

[In million bushels]

| Item | Corn | Grain sorghum | Barley | Oats | Rye | Total |
|----------------------------------|-------|---------------|--------|-------|------|-------|
| 1960 actual..... | 3,908 | 620 | 431 | 1,155 | 33 | 6,147 |
| Amount production is below 1960: | | | | | | |
| 1961 actual..... | 282 | 140 | 36 | 144 | 6 | 608 |
| 1962 actual..... | 264 | 110 | 2 | 124 | (+7) | 493 |
| 1963 estimate..... | 100 | 64 | 50 | 200 | 1 | 415 |
| 1964 estimate..... | | 64 | 45 | 200 | 1 | 310 |

TABLE 12.—*Feed grains: Changes in total stocks from 1961*

[In million bushels]

| Item | Corn | Grain sorghums | Barley | Oats | Rye | Total |
|--|-------|----------------|--------|------|-----|-------|
| Carryover at beginning of the 1961 marketing year..... | 2,008 | 702 | 153 | 325 | 14 | 3,202 |
| Reduction in stocks during— | | | | | | |
| 1961-62 actual..... | 368 | 41 | 30 | 48 | 6 | 493 |
| 1962-63 estimated..... | 340 | 36 | +2 | 2 | 1 | 377 |
| 1963-64 estimated..... | 205 | 50 | 15 | 25 | | 295 |
| 1964-65 estimated..... | 130 | 105 | 10 | 0 | | 245 |
| 4-year total..... | 1,043 | 232 | 53 | 75 | 7 | 1,410 |
| Estimated stocks end of 1964 marketing year..... | 965 | 470 | 100 | 250 | 7 | 1,792 |

Source: U.S. Department of Agriculture.

Report of enrollment in the 1963 feed grain program as of April 1, 1963

| State | Total eligible feed grain farms | | | | | Enrolled farms | |
|-----------------------------------|---------------------------------|-------------------|-----------------|------------------------------|------------------|-------------------|---|
| | Farms (number) | Base acreage | | | | Farms (number) | Portion of total eligible farms (percent) |
| | | Barley (acres) | Corn (acres) | Grain sorghums (acres) | Total (acres) | | |
| Alabama..... | 112,497 | 4,358 | 2,209,947 | 46,700 | 2,261,005 | 32,639 | 29.0 |
| Alaska ¹ | | | | | | | |
| Arizona..... | 3,041 | 175,762 | 30,613 | 168,000 | 374,375 | 809 | 26.6 |
| Arkansas..... | 43,755 | 21,619 | 473,670 | 104,361 | 599,650 | 7,879 | 18.0 |
| California..... | 12,603 | 1,797,593 | 176,397 | 289,127 | 2,263,117 | 3,186 | 25.3 |
| Colorado..... | 26,175 | 685,572 | 531,261 | 1,224,838 | 2,441,671 | 8,937 | 34.1 |
| Connecticut..... | 2,270 | 2 | 34,615 | 180 | 34,797 | 235 | 12.6 |
| Delaware..... | 5,275 | 17,300 | 164,400 | 503 | 182,203 | 1,332 | 25.3 |
| Florida..... | 16,768 | 8 | 710,574 | 8,364 | 718,946 | 5,160 | 30.8 |
| Georgia..... | 93,852 | 13,384 | 3,120,717 | 56,009 | 3,190,110 | 28,288 | 30.1 |
| Hawaii ¹ | | | | | | | |
| Idaho..... | 22,441 | 734,807 | 82,800 | 723 | 818,330 | 3,783 | 16.9 |
| Illinois..... | 211,527 | 72,461 | 10,881,302 | 27,674 | 10,981,437 | 85,125 | 40.2 |
| Indiana..... | 162,157 | 59,512 | 5,663,367 | 21,672 | 5,744,551 | 63,719 | 39.3 |
| Iowa..... | 189,436 | 21,398 | 13,405,020 | 90,574 | 13,516,992 | 116,479 | 61.5 |
| Kansas..... | 135,406 | 1,134,903 | 2,170,625 | 6,161,689 | 9,467,217 | 66,322 | 49.0 |
| Kentucky..... | 130,037 | 90,623 | 1,873,581 | 33,982 | 1,998,186 | 43,694 | 33.6 |
| Louisiana..... | 35,079 | 122 | 481,578 | 17,722 | 499,422 | 7,444 | 21.2 |
| Maine..... | 938 | 279 | 10,317 | 36 | 10,632 | 135 | 14.4 |
| Maryland..... | 22,474 | 92,584 | 522,982 | 4,579 | 620,145 | 3,714 | 16.5 |
| Massachusetts..... | 1,421 | 34 | 21,966 | 159 | 22,159 | 102 | 7.2 |
| Michigan..... | 106,714 | 83,159 | 2,258,740 | 376 | 2,342,275 | 33,170 | 31.1 |
| Minnesota..... | 143,642 | 1,110,994 | 7,514,653 | 5,405 | 8,631,052 | 84,493 | 58.8 |
| Mississippi..... | 88,797 | 3,475 | 1,333,019 | 59,670 | 1,396,164 | 25,248 | 28.4 |
| Missouri..... | 155,530 | 238,836 | 4,969,904 | 704,399 | 5,913,139 | 74,562 | 47.9 |
| Montana..... | 19,851 | 2,068,905 | 139,530 | | 2,208,435 | 6,680 | 33.4 |
| Nebraska..... | 110,901 | 328,531 | 7,514,322 | 2,037,860 | 9,880,713 | 73,347 | 66.1 |
| Nevada..... | 562 | 15,462 | 4,706 | 740 | 20,908 | 71 | 12.6 |
| New Hampshire..... | 778 | | 9,901 | | 9,901 | 13 | 1.7 |
| New Jersey..... | 6,805 | 28,082 | 168,037 | 5,513 | 201,632 | 2,707 | 39.8 |
| New Mexico..... | 5,550 | 52,530 | 36,894 | 761,277 | 850,701 | 2,469 | 44.5 |
| New York..... | 46,129 | 29,490 | 719,231 | 8,079 | 756,800 | 18,157 | 39.4 |
| North Carolina..... | 175,605 | 75,964 | 2,089,082 | 110,679 | 2,275,725 | 56,158 | 32.0 |
| North Dakota..... | 65,026 | 4,584,841 | 1,534,103 | 2,189 | 6,121,133 | 36,760 | 56.5 |
| Ohio..... | 162,119 | 63,420 | 3,916,104 | 1,531 | 3,981,055 | 47,969 | 29.6 |
| Oklahoma..... | 76,003 | 902,305 | 287,335 | 1,925,524 | 3,115,164 | 26,298 | 34.6 |
| Oregon..... | 12,722 | 579,402 | 52,576 | 412 | 632,390 | 2,933 | 23.1 |
| Pennsylvania..... | 92,708 | 181,309 | 1,308,630 | 10,784 | 1,500,723 | 19,809 | 21.4 |
| Puerto Rico ¹ | | | | | | | |
| Rhode Island..... | 194 | | 3,639 | 12 | 3,651 | 5 | 2.6 |
| South Carolina..... | 67,115 | 39,685 | 1,010,629 | 41,301 | 1,091,615 | 20,856 | 31.1 |
| South Dakota..... | 63,446 | 692,780 | 4,874,275 | 273,092 | 5,840,147 | 32,663 | 51.5 |
| Tennessee..... | 118,086 | 52,826 | 1,673,648 | 73,842 | 1,800,316 | 45,617 | 38.6 |
| Texas..... | 192,615 | 534,314 | 1,740,909 | 10,020,264 | 12,295,487 | 77,686 | 40.3 |
| Utah..... | 12,411 | 198,833 | 48,698 | 1,818 | 249,349 | 2,924 | 23.6 |
| Vermont..... | 3,693 | 434 | 49,983 | 225 | 50,642 | 228 | 6.2 |
| Virginia..... | 75,344 | 124,903 | 788,291 | 13,509 | 926,703 | 20,637 | 27.4 |
| Virgin Islands ¹ | | | | | | | |
| Washington..... | 11,318 | 782,996 | 88,085 | 9,502 | 880,583 | 2,609 | 23.1 |
| West Virginia..... | 16,026 | 9,994 | 108,042 | 270 | 118,306 | 4,307 | 26.9 |
| Wisconsin..... | 125,483 | 27,926 | 3,161,268 | 541 | 3,189,735 | 49,520 | 39.5 |
| Wyoming..... | 4,578 | 152,884 | 68,041 | 2,995 | 223,920 | 978 | 21.4 |
| Total..... | 3,186,903 | 17,886,601 | 90,038,007 | 24,328,701 | 132,253,309 | 1,247,906 | 39.2 |

¹ Not applicable.

Report of enrollment in the 1963 feed grain program as of April 1, 1963—Continued

| State | Base acreage on enrolled farms and portion of total base acreage on all eligible farms | | | | | |
|---------------------|--|---|-----------------|---|-----------------|---|
| | Barley | | Corn | | Grain sorghums | |
| | Acreage (acres) | Portion of base acreage on all eligible farms (percent) | Acreage (acres) | Portion of base acreage on all eligible farms (percent) | Acreage (acres) | Portion of base acreage on all eligible farms (percent) |
| Alabama | 1,527 | 35.0 | 887,319 | 40.2 | 17,024 | 36.5 |
| Alaska ¹ | | | | | | |
| Arizona | 83,155 | 47.3 | 3,949 | 12.9 | 88,754 | 52.8 |
| Arkansas | 8,977 | 41.5 | 135,902 | 28.7 | 29,028 | 27.8 |
| California | 733,432 | 40.8 | 62,004 | 35.5 | 122,259 | 42.3 |
| Colorado | 317,180 | 46.3 | 247,692 | 46.6 | 635,236 | 51.9 |
| Connecticut | 0 | 0 | 5,196 | 15.0 | 17 | 9.4 |
| Delaware | 4,503 | 26.0 | 56,533 | 34.4 | 108 | 21.5 |
| Florida | 0 | 0 | 310,128 | 43.6 | 2,681 | 32.1 |
| Georgia | 6,095 | 45.5 | 1,323,423 | 42.4 | 23,438 | 41.8 |
| Hawaii ¹ | | | | | | |
| Idaho | 263,302 | 35.8 | 17,703 | 21.4 | 274 | 37.9 |
| Illinois | 29,834 | 41.2 | 5,808,684 | 53.4 | 13,661 | 49.4 |
| Indiana | 27,253 | 45.8 | 2,934,248 | 51.8 | 12,851 | 59.3 |
| Iowa | 15,261 | 71.3 | 9,498,235 | 70.9 | 57,854 | 63.9 |
| Kansas | 608,153 | 53.6 | 1,278,119 | 58.9 | 4,601,259 | 74.7 |
| Kentucky | 32,866 | 36.3 | 898,356 | 47.9 | 15,218 | 44.8 |
| Louisiana | 7 | 5.7 | 150,222 | 31.2 | 8,111 | 45.8 |
| Maine | 162 | 58.1 | 1,199 | 11.6 | 2 | 5.6 |
| Maryland | 15,794 | 17.1 | 123,806 | 23.7 | 958 | 20.9 |
| Massachusetts | 0 | 0 | 1,715 | 7.8 | 0 | 0 |
| Michigan | 32,626 | 39.2 | 937,455 | 41.5 | 142 | 37.8 |
| Minnesota | 745,486 | 67.1 | 5,019,397 | 74.8 | 3,928 | 72.7 |
| Mississippi | 1,549 | 44.6 | 568,925 | 42.7 | 30,413 | 51.0 |
| Missouri | 125,299 | 52.5 | 3,280,624 | 66.0 | 454,647 | 64.5 |
| Montana | 1,143,790 | 55.3 | 65,888 | 47.2 | 15 | 0 |
| Nebraska | 221,466 | 67.4 | 5,562,411 | 74.0 | 1,709,594 | 83.9 |
| Nevada | 3,253 | 21.0 | 915 | 19.4 | 82 | 11.1 |
| New Hampshire | 0 | 0 | 180 | 1.8 | 0 | 0 |
| New Jersey | 12,168 | 43.3 | 85,136 | 50.7 | 1,963 | 35.6 |
| New Mexico | 25,107 | 47.8 | 15,910 | 43.1 | 345,651 | 45.4 |
| New York | 16,422 | 55.7 | 330,742 | 46.0 | 2,280 | 28.2 |
| North Carolina | 23,443 | 30.9 | 963,583 | 46.1 | 37,290 | 33.7 |
| North Dakota | 3,125,286 | 68.2 | 936,350 | 61.0 | 1,206 | 55.1 |
| Ohio | 21,507 | 33.9 | 1,570,218 | 40.1 | 549 | 35.9 |
| Alabama | | | | | | |
| Alaska ¹ | | | | | | |
| Arizona | | | | | | |
| Arkansas | | | | | | |
| California | | | | | | |
| Colorado | | | | | | |
| Connecticut | | | | | | |
| Delaware | | | | | | |
| Florida | | | | | | |
| Georgia | | | | | | |
| Hawaii ¹ | | | | | | |
| Idaho | | | | | | |
| Illinois | | | | | | |
| Indiana | | | | | | |
| Iowa | | | | | | |
| Kansas | | | | | | |
| Kentucky | | | | | | |
| Louisiana | | | | | | |
| Maine | | | | | | |
| Maryland | | | | | | |
| Massachusetts | | | | | | |
| Michigan | | | | | | |
| Minnesota | | | | | | |
| Mississippi | | | | | | |
| Missouri | | | | | | |
| Montana | | | | | | |
| Nebraska | | | | | | |
| Nevada | | | | | | |
| New Hampshire | | | | | | |
| New Jersey | | | | | | |
| New Mexico | | | | | | |
| New York | | | | | | |
| North Carolina | | | | | | |
| North Dakota | | | | | | |
| Ohio | | | | | | |

¹ Not applicable.

Report of enrollment in the 1963 feed grain program as of April 1, 1963—Continued

| State | Base acreage on enrolled farms and portion of total base acreage on all eligible farms | | | | | |
|-----------------------------------|--|---|-----------------|---|-----------------|---|
| | Barley | | Corn | | Grain sorghums | |
| | Acreage (acres) | Portion of base acreage on all eligible farms (percent) | Acreage (acres) | Portion of base acreage on all eligible farms (percent) | Acreage (acres) | Portion of base acreage on all eligible farms (percent) |
| Oklahoma..... | 384,584 | 42.6 | 106,386 | 37.0 | 907,838 | 47.1 |
| Oregon..... | 200,806 | 34.6 | 20,643 | 39.3 | 221,515 | 64.6 |
| Pennsylvania..... | 35,537 | 19.7 | 315,667 | 24.1 | 353,274 | 23.5 |
| Puerto Rico ¹ | 0 | 0 | 139 | 3.8 | 139 | 3.8 |
| Rhode Island..... | 16,293 | 41.1 | 444,110 | 43.9 | 476,754 | 43.7 |
| South Carolina..... | 430,886 | 62.2 | 2,778,815 | 57.0 | 3,370,036 | 57.7 |
| South Dakota..... | 23,467 | 44.4 | 842,378 | 50.3 | 900,838 | 50.0 |
| Tennessee..... | 315,998 | 59.1 | 775,299 | 44.5 | 7,724,165 | 62.8 |
| Texas..... | 78,977 | 36.7 | 17,421 | 35.8 | 96,834 | 38.8 |
| Utah..... | 54 | 12.4 | 3,335 | 6.7 | 3,389 | 6.7 |
| Vermont..... | 36,530 | 29.2 | 293,595 | 37.2 | 335,750 | 36.2 |
| Virginia..... | 215,079 | 27.5 | 32,207 | 35.6 | 250,637 | 28.5 |
| Virgin Islands ¹ | 2,163 | 21.6 | 38,550 | 35.7 | 40,763 | 34.5 |
| Washington..... | 13,037 | 46.7 | 1,652,463 | 52.3 | 1,665,827 | 52.2 |
| West Virginia..... | 42,567 | 27.8 | 27,737 | 40.8 | 71,680 | 32.0 |
| Wisconsin..... | | | | | | |
| Wyoming..... | | | | | | |
| Total..... | 9,440,781 | 52.8 | 51,031,542 | 56.7 | 15,982,279 | 65.7 |
| | | | | | 76,454,599 | 57.8 |
| | | | | | | 61 |

| State | Intended diverted acreage and portion of base on enrolled farms | | | | | | | |
|---------------------|---|---|-----------------|---|-----------------|---|-----------------|---|
| | Barley | | Corn | | Grain sorghums | | Total | |
| | Acreage (acres) | Portion of base acreage on enrolled farms (percent) | Acreage (acres) | Portion of base acreage on enrolled farms (percent) | Acreage (acres) | Portion of base acreage on enrolled farms (percent) | Acreage (acres) | Portion of base acreage on all enrolled farms (percent) |
| Alabama | 550 | 36.0 | 517,745 | 58.3 | 7,606 | 44.7 | 525,901 | 58.1 |
| Alaska ¹ | | | | | | | | 16 |
| Arizona | 26,711 | 32.1 | 1,845 | 46.7 | 37,078 | 41.8 | 65,634 | 37.3 |
| Arkansas | 4,182 | 46.6 | 95,899 | 70.6 | 14,776 | 50.9 | 114,857 | 66.0 |
| California | 232,267 | 31.7 | 30,630 | 48.9 | 58,376 | 47.7 | 321,273 | 35.0 |
| Colorado | 115,519 | 36.4 | 101,203 | 40.9 | 190,272 | 30.0 | 406,994 | 46 |
| Connecticut | 0 | 0 | 3,398 | 65.4 | 4 | 23.5 | 3,402 | 12 |
| Delaware | 1,209 | 26.8 | 26,936 | 47.6 | 49 | 45.4 | 28,194 | 21 |
| Florida | 0 | 0 | 142,030 | 45.8 | 1,748 | 65.2 | 143,778 | 28 |
| Georgia | 2,840 | 46.6 | 615,458 | 46.5 | 10,441 | 44.5 | 628,739 | 22 |
| Hawaii ¹ | | | | | | | | |
| Idaho | 94,050 | 35.7 | 10,989 | 62.1 | 137 | 50.0 | 105,177 | 28 |
| Illinois | 15,439 | 51.7 | 1,586,038 | 27.3 | 8,955 | 65.6 | 1,610,432 | 19 |
| Indiana | 12,566 | 46.1 | 1,035,084 | 37.3 | 7,232 | 56.3 | 1,114,882 | 17 |
| Iowa | 10,944 | 71.7 | 2,422,468 | 25.5 | 35,642 | 61.6 | 2,469,054 | 21 |
| Kansas | 230,521 | 37.9 | 429,195 | 33.6 | 1,129,207 | 24.5 | 1,788,923 | 27 |
| Kentucky | 12,703 | 38.6 | 558,727 | 62.2 | 8,367 | 55.0 | 579,797 | 13 |
| Louisiana | 0 | 0 | 94,505 | 62.9 | 3,497 | 43.1 | 98,002 | 13 |
| Maine | 160 | 98.8 | 947 | 79.0 | 2 | 100.0 | 1,109 | 8 |
| Maryland | 5,929 | 37.5 | 59,728 | 48.2 | 576 | 60.1 | 66,233 | 18 |
| Massachusetts | 0 | 0 | 1,085 | 63.3 | 0 | 0 | 1,085 | 11 |
| Michigan | 17,126 | 52.5 | 498,635 | 53.2 | 107 | 75.4 | 515,868 | 16 |
| Minnesota | 245,276 | 32.9 | 1,507,138 | 26.8 | 2,481 | 63.2 | 1,754,895 | 21 |
| Mississippi | 557 | 36.0 | 342,601 | 60.2 | 13,510 | 44.4 | 356,668 | 14 |
| Missouri | 53,876 | 43.0 | 1,336,304 | 40.7 | 221,700 | 48.8 | 1,611,881 | 22 |
| Montana | 291,906 | 25.5 | 38,248 | 58.0 | 15 | 100.0 | 330,169 | 49 |
| Nebraska | 104,202 | 47.1 | 1,407,200 | 25.3 | 415,608 | 24.3 | 1,927,013 | 26 |
| Nevada | 1,462 | 44.9 | 647 | 70.7 | 28 | 34.1 | 2,137 | 30 |
| New Hampshire | 0 | 0 | 123 | 68.3 | 0 | 0 | 123 | 9 |
| New Jersey | 4,325 | 35.5 | 45,950 | 54.0 | 1,167 | 59.4 | 51,442 | 19 |
| New Mexico | 9,600 | 38.2 | 9,139 | 57.4 | 110,060 | 31.8 | 128,799 | 52 |
| New York | 8,923 | 54.3 | 183,961 | 55.6 | 1,390 | 61.0 | 194,274 | 11 |
| North Carolina | 14,168 | 60.4 | 542,604 | 56.3 | 24,984 | 67.0 | 581,756 | 10 |
| North Dakota | 787,832 | 25.2 | 290,016 | 31.0 | 400 | 33.2 | 1,078,252 | 25 |

¹ Not applicable.

Report of enrollment in the 1963 feed grain program as of April 1, 1963—Continued

| State | Intended diverted acreage and portion of base on enrolled farms | | | | | | | Average diverted acreage per enrolled farm (acres) | |
|-----------------------------------|---|---|-----------------|---|-----------------|---|-----------------|--|---|
| | Barley | | Corn | | Grain sorghums | | Total | | |
| | Acreage (acres) | Portion of base on enrolled farms (percent) | Acreage (acres) | Portion of base on enrolled farms (percent) | Acreage (acres) | Portion of base on enrolled farms (percent) | Acreage (acres) | | Portion of base on enrolled farms (percent) |
| Ohio..... | 11,642 | 54.1 | 695,672 | 44.3 | 315 | 57.4 | 707,629 | 44.4 | 15 |
| Oklahoma..... | 171,868 | 44.7 | 76,556 | 72.0 | 405,702 | 44.7 | 634,128 | 46.8 | 25 |
| Oregon..... | 67,426 | 33.6 | 12,467 | 60.4 | 129 | 48.5 | 80,022 | 36.1 | 27 |
| Pennsylvania..... | 12,685 | 35.6 | 200,512 | 63.5 | 1,182 | 60.0 | 214,379 | 60.7 | 11 |
| Puerto Rico ¹ | 0 | 0 | 87 | 62.6 | 0 | 0 | 87 | 62.6 | 17 |
| Rhode Island..... | 10,027 | 61.5 | 251,224 | 56.6 | 8,655 | 52.9 | 269,906 | 56.6 | 13 |
| South Carolina..... | 179,552 | 41.7 | 632,737 | 22.8 | 62,621 | 39.1 | 874,910 | 26.0 | 27 |
| South Dakota..... | 8,370 | 35.7 | 556,591 | 66.1 | 17,781 | 50.8 | 582,742 | 64.7 | 13 |
| Tennessee..... | 146,207 | 46.3 | 350,654 | 45.2 | 2,097,172 | 31.6 | 2,594,033 | 33.6 | 33 |
| Texas..... | 39,142 | 49.6 | 10,873 | 62.4 | 366 | 83.9 | 50,381 | 52.0 | 17 |
| Utah..... | 54 | 100.0 | 2,706 | 81.1 | 0 | 0 | 2,780 | 81.4 | 12 |
| Vermont..... | 19,760 | 54.1 | 167,456 | 57.0 | 3,405 | 60.2 | 190,621 | 56.8 | 9 |
| Virgin Islands ¹ | 64,889 | 30.2 | 15,953 | 49.5 | 1,565 | 46.7 | 82,407 | 32.9 | 32 |
| Washington..... | 833 | 38.5 | 27,054 | 70.1 | 13 | 65.0 | 27,900 | 68.4 | 6 |
| West Virginia..... | 4,116 | 31.6 | 705,090 | 42.7 | 129 | 39.4 | 709,335 | 42.6 | 14 |
| Wisconsin..... | 14,339 | 33.7 | 13,621 | 49.1 | 532 | 38.7 | 28,492 | 39.7 | 29 |
| Wyoming..... | | | | | | | | | |
| Total..... | 3,055,753 | 32.4 | 17,715,729 | 34.7 | 4,904,982 | 30.7 | 25,676,475 | 33.6 | 21 |

¹ Not applicable.

Report of enrollment in the 1963 feed grain program as of April 1, 1963—Con.

| State | Total diversion payment; average per diverted acre and average per enrolled farm | | |
|-----------------------------------|--|---|---|
| | Total diversion payment | Average diversion payment per acre | Average diversion payment per enrolled farm |
| Alabama..... | \$8,018,291 | \$15.25 | \$246 |
| Alaska..... | | | |
| Arizona..... | 1,594,838 | 24.30 | 1,971 |
| Arkansas..... | 2,081,436 | 18.12 | 264 |
| California..... | 5,808,563 | 18.08 | 1,823 |
| Colorado..... | 6,118,282 | 15.03 | 685 |
| Connecticut..... | 136,359 | 40.08 | 478 |
| Delaware..... | 864,221 | 30.65 | 649 |
| Florida..... | 2,135,550 | 14.85 | 414 |
| Georgia..... | 9,283,760 | 14.77 | 328 |
| Hawaii..... | | | |
| Idaho..... | 1,513,452 | 14.39 | 400 |
| Illinois..... | 37,085,760 | 23.03 | 436 |
| Indiana..... | 30,754,653 | 27.59 | 483 |
| Iowa..... | 50,151,658 | 20.31 | 431 |
| Kansas..... | 22,177,437 | 12.40 | 334 |
| Kentucky..... | 13,876,750 | 23.93 | 318 |
| Louisiana..... | 1,833,424 | 18.71 | 246 |
| Maine..... | 38,818 | 35.00 | 288 |
| Maryland..... | 1,938,088 | 29.26 | 522 |
| Massachusetts..... | 41,761 | 38.49 | 409 |
| Michigan..... | 14,231,704 | 27.59 | 429 |
| Minnesota..... | 29,178,995 | 16.63 | 345 |
| Mississippi..... | 6,243,772 | 17.51 | 247 |
| Missouri..... | 36,762,141 | 22.81 | 493 |
| Montana..... | 2,412,331 | 7.31 | 361 |
| Nebraska..... | 28,773,372 | 14.93 | 392 |
| Nevada..... | 41,881 | 19.60 | 590 |
| New Hampshire..... | 3,927 | 31.93 | 302 |
| New Jersey..... | 1,855,040 | 36.06 | 685 |
| New Mexico..... | 1,965,068 | 15.26 | 796 |
| New York..... | 5,898,637 | 30.36 | 325 |
| North Carolina..... | 14,602,731 | 25.10 | 260 |
| North Dakota..... | 7,105,241 | 6.59 | 193 |
| Ohio..... | 21,938,419 | 31.00 | 457 |
| Oklahoma..... | 7,636,429 | 11.67 | 290 |
| Oregon..... | 1,297,348 | 16.21 | 442 |
| Pennsylvania..... | 7,289,978 | 34.00 | 368 |
| Puerto Rico ¹ | | | |
| Rhode Island..... | 2,780 | 31.95 | 556 |
| South Carolina..... | 4,561,140 | 16.90 | 219 |
| South Dakota..... | 7,670,016 | 8.77 | 235 |
| Tennessee..... | 12,873,386 | 22.09 | 282 |
| Texas..... | 33,784,738 | 13.02 | 435 |
| Utah..... | 957,438 | 19.00 | 327 |
| Vermont..... | 106,043 | 38.42 | 465 |
| Virginia..... | 5,061,365 | 26.55 | 245 |
| Virgin Islands ¹ | | | |
| Washington..... | 1,557,758 | 18.90 | 597 |
| West Virginia..... | 890,280 | 31.91 | 207 |
| Wisconsin..... | 20,998,723 | 29.60 | 424 |
| Wyoming..... | 444,758 | 15.61 | 455 |
| Total..... | 471,598,540 | 18.37 | 378 |

¹ Not applicable.

Report of enrollment in the 1963 feed grain program as of April 1, 1963—Continued

| State | Farms diverting entire base | | | | | | | | | |
|---------------------------|-----------------------------|---|--|---|-----------------|---|-----------------|---|----------------------|---|
| | Farms | | Base acreage and portion of base on all enrolled farms | | | | Total | | | |
| | Enrolled (number) | Portion of base on all enrolled farms (percent) | Barley | | Corn | | Grain sorghums | | Base acreage (acres) | Portion of total base on all enrolled farms (percent) |
| | | | Acreage (acres) | Portion of base on all enrolled farms (percent) | Acreage (acres) | Portion of base on all enrolled farms (percent) | Acreage (acres) | Portion of base on all enrolled farms (percent) | | |
| Alabama..... | 17,026 | 52.2 | 85 | 5.6 | 189,535 | 21.4 | 1,729 | 10.2 | 191,349 | 21.1 |
| Alaska ¹ | | | | | | | | | | |
| Arizona..... | 123 | 15.2 | 411 | .5 | 149 | 3.8 | 1,097 | 1.2 | 1,657 | .9 |
| Arkansas..... | 5,585 | 70.9 | 984 | 11.0 | 51,766 | 38.1 | 6,093 | 20.7 | 58,753 | 33.8 |
| California..... | 566 | 17.8 | 3,848 | .5 | 2,732 | 4.4 | 1,765 | 1.4 | 8,345 | .9 |
| Colorado..... | 990 | 11.1 | 6,666 | 2.1 | 5,774 | 2.3 | 2,698 | .4 | 15,138 | 1.3 |
| Connecticut..... | 192 | 67.4 | 0 | 0 | 2,009 | 38.7 | 4 | 23.5 | 2,013 | 38.6 |
| Delaware..... | 482 | 36.2 | 129 | 2.9 | 6,857 | 12.1 | 0 | 0 | 6,986 | 11.4 |
| Florida..... | 1,451 | 28.1 | 0 | 0 | 19,374 | 6.2 | 137 | 5.1 | 19,511 | 6.2 |
| Georgia..... | 10,643 | 37.6 | 678 | 11.1 | 146,841 | 11.1 | 2,068 | 8.8 | 149,887 | 11.1 |
| Hawaii ¹ | | | | | | | | | | |
| Idaho..... | 1,206 | 31.9 | 10,454 | 4.0 | 4,091 | 23.1 | 25 | 9.1 | 14,570 | 5.2 |
| Illinois..... | 11,973 | 14.1 | 686 | 2.3 | 152,630 | 2.6 | 827 | 5.6 | 154,143 | 2.6 |
| Indiana..... | 21,989 | 34.5 | 1,577 | 5.8 | 270,105 | 9.2 | 723 | 6.1 | 272,405 | 9.2 |
| Iowa..... | 7,211 | 6.2 | 98 | 6 | 100,069 | 1.1 | 819 | 1.4 | 100,986 | 1.1 |
| Kansas..... | 6,604 | 10.0 | 10,463 | 1.7 | 25,152 | 2.0 | 63,386 | 1.4 | 99,001 | 1.4 |
| Kentucky..... | 27,270 | 62.4 | 2,428 | 7.4 | 265,746 | 29.6 | 2,086 | 13.7 | 270,260 | 28.6 |
| Louisiana..... | 4,010 | 53.9 | 0 | 0 | 40,332 | 26.8 | 809 | 10.0 | 41,141 | 26.0 |
| Maine..... | 116 | 85.9 | 160 | 98.8 | 865 | 72.1 | 2 | 100.0 | 1,027 | 75.3 |
| Maryland..... | 1,651 | 44.5 | 1,305 | 8.3 | 20,247 | 16.4 | 169 | 17.6 | 21,721 | 15.5 |
| Massachusetts..... | 61 | 59.8 | 0 | 0 | 630 | 36.7 | 0 | 0 | 630 | 36.7 |
| Michigan..... | 17,057 | 51.4 | 5,827 | 17.9 | 199,914 | 21.3 | 6 | 4.2 | 205,747 | 21.2 |
| Minnesota..... | 9,975 | 11.8 | 10,726 | 1.4 | 114,126 | 2.0 | 35 | .9 | 124,887 | 2.0 |
| Mississippi..... | 13,162 | 52.1 | 104 | 6.7 | 137,993 | 24.1 | 1,242 | 4.1 | 138,439 | 23.0 |
| Missouri..... | 24,278 | 32.6 | 7,183 | 5.7 | 277,449 | 8.5 | 39,420 | 8.7 | 324,052 | 8.4 |
| Montana..... | 569 | 8.5 | 8,650 | .8 | 1,374 | 2.1 | 0 | 0 | 10,024 | .8 |
| Nebraska..... | 2,684 | 3.7 | 5,970 | 2.7 | 23,560 | 4.4 | 9,725 | .6 | 39,255 | .5 |
| Nevada..... | 32 | 45.1 | 285 | 8.8 | 115 | 12.6 | 20 | 24.4 | 420 | 9.9 |
| New Hampshire..... | 8 | 61.5 | 0 | 0 | 78 | 43.3 | 0 | 0 | 78 | 43.3 |
| New Jersey..... | 1,224 | 45.2 | 911 | 7.5 | 13,993 | 16.4 | 171 | 8.7 | 15,075 | 15.2 |
| New Mexico..... | 353 | 14.3 | 1,422 | 5.7 | 1,561 | 9.8 | 2,826 | .8 | 5,809 | 1.5 |
| New York..... | 10,194 | 56.1 | 3,887 | 23.7 | 92,131 | 27.9 | 649 | 28.5 | 96,667 | 27.7 |

| | | | | | | | | | | |
|---------------------|---------|------|---------|------|-----------|------|---------|------|-----------|------|
| North Carolina----- | 29,709 | 52.9 | 5,246 | 22.4 | 215,600 | 22.4 | 11,180 | 30.0 | 232,026 | 22.7 |
| North Dakota----- | 2,271 | 6.2 | 24,547 | .8 | 8,164 | .9 | 18 | 1.5 | 32,729 | .8 |
| Ohio----- | 21,406 | 44.6 | 1,602 | 7.4 | 244,778 | 15.6 | 23 | 4.2 | 246,403 | 15.5 |
| Oklahoma----- | 7,838 | 29.8 | 30,046 | 7.8 | 20,698 | 19.5 | 64,186 | 7.1 | 114,930 | 8.2 |
| Oregon----- | 7,944 | 32.2 | 8,381 | 4.2 | 2,672 | 12.9 | 5 | 1.9 | 11,058 | 5.0 |
| Pennsylvania----- | 11,930 | 60.2 | 5,506 | 15.4 | 104,597 | 33.1 | 642 | 32.6 | 110,745 | 31.3 |
| Puerto Rico 1----- | | | 0 | | | | | | | |
| Rhode Island----- | 2 | 40.0 | 3,272 | 0 | 32 | 23.0 | 0 | 0 | 32 | 23.0 |
| South Carolina----- | 10,504 | 50.4 | 3,272 | 20.1 | 88,319 | 19.9 | 3,812 | 23.3 | 95,403 | 20.0 |
| South Dakota----- | 1,658 | 5.1 | 5,620 | 1.3 | 18,517 | .7 | 1,877 | 1.2 | 26,014 | .8 |
| Tennessee----- | 28,139 | 61.7 | 2,713 | 11.6 | 273,872 | 32.5 | 6,765 | 19.3 | 283,350 | 31.5 |
| Texas----- | 16,208 | 20.9 | 6,836 | 2.2 | 96,790 | 12.5 | 111,514 | 1.7 | 215,160 | 2.8 |
| Utah----- | 1,217 | 41.6 | 11,724 | 14.8 | 2,579 | 14.8 | 33 | 7.6 | 14,336 | 14.8 |
| Vermont----- | 1,182 | 79.8 | 12 | 22.2 | 2,110 | 63.3 | 0 | 0 | 2,122 | 62.6 |
| Virginia----- | 11,566 | 56.0 | 5,709 | 15.6 | 77,067 | 26.2 | 676 | 12.0 | 83,452 | 24.9 |
| Virgin Islands----- | | | | | | | | | | |
| Washington----- | 493 | 18.9 | 3,097 | 1.4 | 2,780 | 8.6 | 315 | 9.4 | 6,192 | 2.5 |
| West Virginia----- | 3,554 | 82.5 | 313 | 14.5 | 18,183 | 47.1 | 2 | 10.0 | 18,498 | 43.4 |
| Wisconsin----- | 16,124 | 32.6 | 819 | 6.3 | 196,493 | 11.9 | 5 | 1.5 | 197,317 | 11.8 |
| Wyoming----- | 182 | 18.6 | 1,313 | 3.1 | 1,381 | 5.0 | 31 | 2.3 | 2,725 | 3.8 |
| Total----- | 362,612 | 29.1 | 201,713 | 2.1 | 3,540,930 | 6.9 | 339,525 | 2.1 | 4,082,168 | 5.3 |

1 Not applicable.

Report of enrollment in the 1963 feed grain program as of April 1, 1963—Con.

| State | Farms diverting entire base | | | |
|-----------------------------------|-----------------------------|---|------------------------------------|------------------------------------|
| | Diversion payment | Portion of total diversion payment on all farms (percent) | Average diversion payment per acre | Average diversion payment per farm |
| Alabama..... | \$3,387,736 | 42.2 | \$17.70 | \$199 |
| Alaska ¹ | | | | |
| Arizona..... | 55,246 | 3.5 | 33.34 | 449 |
| Arkansas..... | 1,140,899 | 54.8 | 19.42 | 204 |
| California..... | 242,155 | 4.2 | 29.02 | 428 |
| Colorado..... | 318,275 | 5.2 | 21.02 | 321 |
| Connecticut..... | 89,873 | 65.9 | 44.65 | 468 |
| Delaware..... | 263,163 | 30.4 | 37.67 | 546 |
| Florida..... | 350,669 | 16.4 | 17.97 | 242 |
| Georgia..... | 2,163,864 | 23.3 | 14.47 | 203 |
| Hawaii ¹ | | | | |
| Idaho..... | 375,818 | 24.8 | 25.79 | 312 |
| Illinois..... | 5,056,295 | 13.6 | 32.80 | 422 |
| Indiana..... | 9,645,388 | 31.4 | 35.41 | 439 |
| Iowa..... | 3,697,426 | 7.4 | 36.61 | 513 |
| Kansas..... | 1,969,500 | 8.9 | 19.89 | 298 |
| Kentucky..... | 7,126,403 | 51.4 | 26.37 | 261 |
| Louisiana..... | 871,808 | 47.6 | 21.19 | 217 |
| Maine..... | 35,550 | 91.6 | 34.62 | 306 |
| Maryland..... | 752,707 | 38.8 | 34.65 | 456 |
| Massachusetts..... | 26,846 | 64.3 | 42.61 | 440 |
| Michigan..... | 6,394,735 | 44.9 | 31.08 | 375 |
| Minnesota..... | 3,280,364 | 11.2 | 26.27 | 329 |
| Mississippi..... | 2,693,789 | 43.1 | 19.46 | 205 |
| Missouri..... | 9,437,136 | 25.7 | 29.12 | 389 |
| Montana..... | 116,916 | 4.8 | 11.66 | 205 |
| Nebraska..... | 891,605 | 3.1 | 22.71 | 332 |
| Nevada..... | 9,675 | 23.1 | 23.04 | 302 |
| New Hampshire..... | 2,670 | 68.0 | 34.23 | 334 |
| New Jersey..... | 664,962 | 35.8 | 44.11 | 543 |
| New Mexico..... | 109,715 | 5.6 | 18.89 | 311 |
| New York..... | 3,295,002 | 55.9 | 34.09 | 323 |
| North Carolina..... | 6,684,605 | 45.8 | 28.81 | 225 |
| North Dakota..... | 355,801 | 5.0 | 10.87 | 157 |
| Ohio..... | 9,325,042 | 42.5 | 37.84 | 436 |
| Oklahoma..... | 1,720,838 | 22.5 | 14.97 | 220 |
| Oregon..... | 268,856 | 20.7 | 24.31 | 285 |
| Pennsylvania..... | 4,204,012 | 57.7 | 37.96 | 352 |
| Puerto Rico ¹ | | | | |
| Rhode Island..... | 993 | 35.7 | 31.03 | 496 |
| South Carolina..... | 1,806,333 | 39.6 | 18.93 | 172 |
| South Dakota..... | 368,915 | 4.8 | 14.18 | 222 |
| Tennessee..... | 6,934,071 | 53.9 | 24.47 | 246 |
| Texas..... | 3,716,244 | 11.0 | 17.27 | 229 |
| Utah..... | 323,202 | 33.8 | 22.54 | 266 |
| Vermont..... | 86,049 | 81.1 | 40.55 | 473 |
| Virginia..... | 2,585,572 | 51.1 | 30.98 | 224 |
| Virgin Islands ¹ | | | | |
| Washington..... | 222,242 | 14.3 | 35.89 | 451 |
| West Virginia..... | 623,209 | 70.0 | 33.69 | 175 |
| Wisconsin..... | 7,114,567 | 33.9 | 36.06 | 441 |
| Wyoming..... | 63,345 | 14.2 | 23.25 | 348 |
| Total..... | 110,870,086 | 23.5 | 27.16 | 306 |

¹ Not applicable.

The CHAIRMAN. Thank you, Mr. Freeman. Mr. Secretary, as I understand, there is no fundamental difference between the extension of the feed grain program that the Congress passed last year, for 1963, to what we are now asked to renew?

Secretary FREEMAN. No, sir.

The CHAIRMAN. No fundamental difference?

Secretary FREEMAN. No fundamental difference.

The CHAIRMAN. Will you explain to us this provision about wheat that the House has added.

Secretary FREEMAN. The provision—I assume the chairman is directing attention to the revision that includes rye and oats, so that

it can be considered feed grain for purposes of substitution with wheat, but only if a substitution with wheat is involved. That is designed to permit the wheat farmer who has been producing oats and rye, also, to have the chance to make a substitution and to produce wheat, instead, as a feed grain.

The CHAIRMAN. Would that in any manner affect our wheat surpluses?

Secretary FREEMAN. No, sir.

The CHAIRMAN. At the bottom of page 7 and going over to page 8 it states:

The average acreage of wheat produced on the farm during the crop years 1959, 1960, 1961, pursuant to the exemption provided in section 335(f) of the Agricultural Adjustment Act of 1938, prior to its repeal by the Food and Agriculture Act of 1962, in excess of the small farm base acreage for wheat established under section 335 of the Agricultural Adjustment Act of 1938, as amended, shall be considered as an acreage of feed grains produced in the crop years of 1959 and 1960 for purposes of establishing the feed grain base acreage for the farm, and the rate of payment for diverting such wheat shall be an amount determined by the Secretary to be fair and reasonable in relation to the rates of payment for diverting feed grains. The Secretary may make such adjustments in acreage and yields as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography.

And it continues on.

Senator YOUNG. We cannot find where you are reading from, Mr. Chairman.

The CHAIRMAN. The bottom of page 7 and over onto page 8.

Senator HOLLAND. Of the act?

The CHAIRMAN. Of the bill—the bottom of page 7 of the bill going over to page 8 of the bill. There are two provisions relating to wheat and I want to clarify that. You say that these provisions will in no matter affect the production of wheat; that is, whereby we will have more wheat to add to our present surpluses?

Secretary FREEMAN. No, sir. This was the old “30 acre feed wheat” provision which under the bill will be treated as feed grains acreage.

The CHAIRMAN. As I understand, during the current year you could, as administrator of this bill, pay 20 percent of the diverted acres; that is, pay for those with cash or feed in kind?

Secretary FREEMAN. Yes, sir.

The CHAIRMAN. And on 30-percent acreage diversion you could pay all feed grain in kind?

Secretary FREEMAN. Yes, sir.

The CHAIRMAN. And that this year you chose to make it all in kind, because of the authority granted you under the 1963 Extension Act.

Secretary FREEMAN. That is correct.

The CHAIRMAN. But, as I understand, under the present bill your authority to pay on the diverted acres is in kind and not in cash?

Secretary FREEMAN. Yes, sir.

The CHAIRMAN. What was that decided upon?

Secretary FREEMAN. Well, it was felt in the committee and in the House that payment in kind was preferable to cash and we thought we could administer the program as efficiently as under the present law.

The CHAIRMAN. As I recall, I discussed that with some of the staff and I felt that since you decided under the program for 1963 to pay all in kind that it might be advisable to have that provision placed in the bill.

Secretary FREEMAN. Placed in the bill, yes.

The CHAIRMAN. And in that way we would know in advance the entire number of acres diverted would be paid for in kind.

Secretary FREEMAN. That is correct.

The CHAIRMAN. Senator Aiken, have you any questions?

Senator AIKEN. Yes, just two or three. As I understand it, if wheat is planted on feed grain acreage, that wheat is not eligible for price support either under the wheat program or the feed grain program, am I correct?

Secretary FREEMAN. I believe that would be supported at \$1.30 as feed wheat, yes.

Senator AIKEN. You used these two examples, where the planting of wheat would be increased 50 percent but be planted as feed grains; have you any estimate as to the amount of wheat that the Commodity Credit Corporation might be called upon to take over under such conditions?

Secretary FREEMAN. Our estimate is that CCC would not take over any, because this will be a substitution for feed grains that have been used, primarily, for feed in the areas in question. Now it will be wheat, used for wheat as such at \$1.30 level and we anticipate it will move to feed uses rather than into the Corporation's hands.

Senator AIKEN. But if there is a large increase of wheat grown for feed, wouldn't that be likely to increase the supply of feed if the CCC did not take over the wheat or make a loan on it? Wouldn't the CCC be likely to take over an increased amount of feed?

Secretary FREEMAN. No, sir. One is substituted for the other.

Senator AIKEN. As I understand it in figuring it—

Secretary FREEMAN. There is not going to be totally more—there will be the same number of acres that will be producing grains, minus, of course the acreage diverted to conservation uses.

Senator AIKEN. And come out of the feed grain acreage?

Secretary FREEMAN. It will come out of the feed grain acreage, so that there is no total addition to stocks at all.

Senator AIKEN. Is the feed grain acreage compulsory?

Secretary FREEMAN. The feed grain acres would apply only to a farm that complied with the feed grain program.

Senator AIKEN. What percentage of the farms, do you expect, will comply if they could plant 50 percent more than by not complying?

Secretary FREEMAN. I think that there might be more who would comply in areas where they find it desirable to produce wheat for feed. But, again, that would make no difference because you would not have any more total amount of nutrients, whether you produced feed grains or wheat, because you would be using the same number of acres. All you are really doing is giving the farmer a little more discretion and freedom in his own individual planting.

Senator AIKEN. Well, farmers are very resourceful in exercising individual freedom.

Secretary FREEMAN. Yes, sir.

Senator AIKEN. Another statement you made is at the top of page 5 where you state:

An analysis of the livestock industry since this program first became effective shows an increasingly favorable effect on hog and cattle production and prices compared to recent years.

I do not exactly understand how cattle prices have been improved since the feed-grain program went into effect. There, again, we have to take into consideration the resourcefulness of everybody who has to do with livestock or grain, but it seems to me that that statement is not quite accurate, unless you assume that they would have gone all out and broken their own necks or jumped over the cliff, had it not been for the feed-grain program.

Secretary FREEMAN. Well, as the Senator, who is an expert on this, knows, there are a number of factors involved. There is the judgment of the individual producer. There is the accuracy of the information, but, certainly the availability of feed grains is an important factor and the assurance of a stable supply and of a reasonable price and not a depressed price in excess of the supply is a very important consideration. Now hog and cattle prices, since the feed-grain program has been in effect, have been generally steady and good, relatively good.

I have and would ask, perhaps, to put into the record here a chart of the cycle in hog prices where there is a much shorter cycle than in cattle. It would show that both the extent of the variation in price and the length of that variation have softened and that there has been in feed itself a greater stability of price with a good effect on the related industries, and would be pleased if the Senator would look at that. And might I ask that it be added to the record?

The CHAIRMAN. Without objection, it will be made a part of the record.

(The chart follows on p. 28.)

Senator AIKEN. I would like to have in the record the prices of hogs and beef as of April 1, 1961, and as of April 1, 1963, so that we can see for ourselves whether the operations of the feed-grain program have increased or lowered or improved or depreciated the value of the livestock.

The CHAIRMAN. You mean as to all of the commodities?

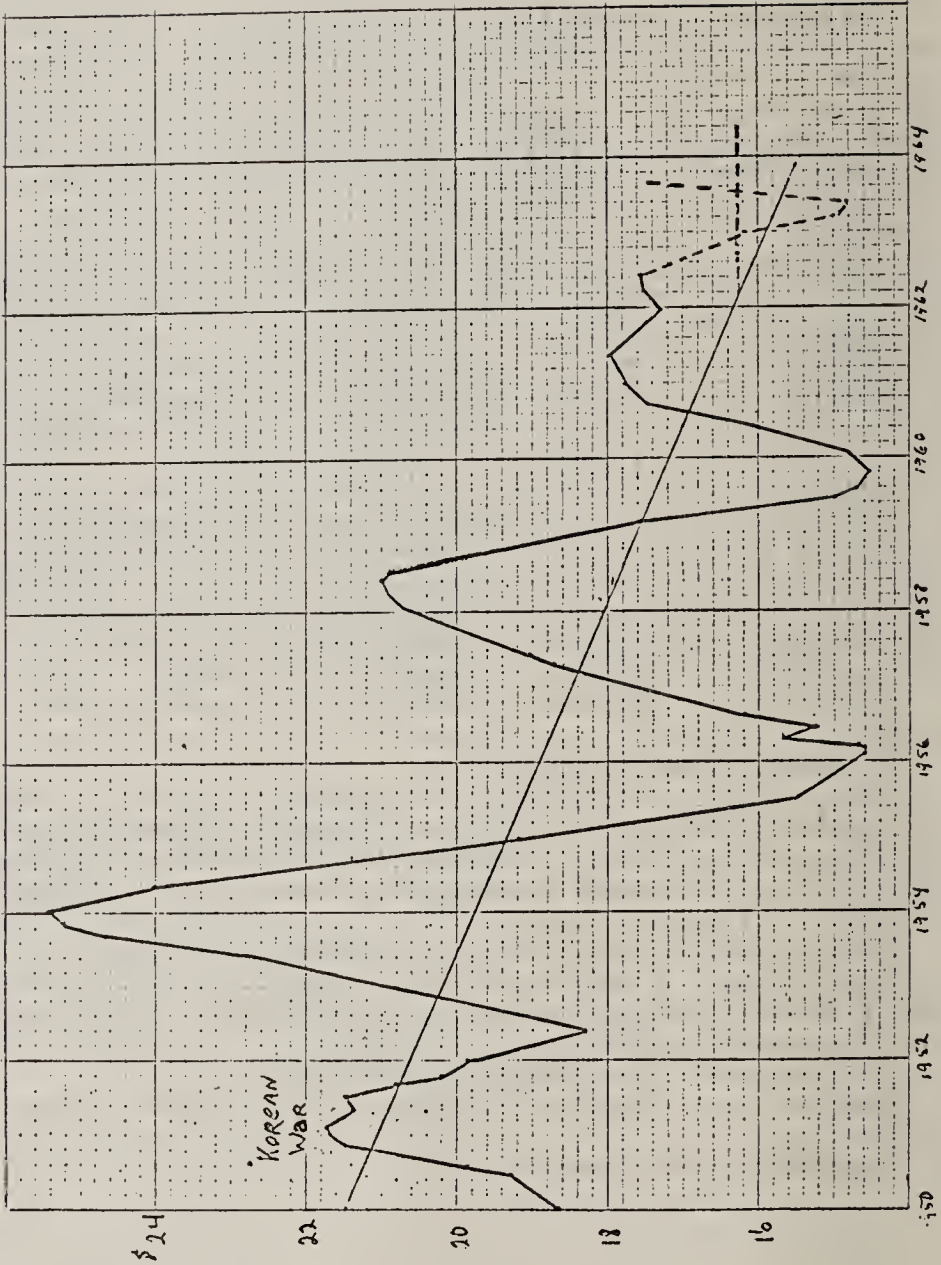
Senator AIKEN. I do not mind it going into the record, but I think that it would be well to have the prices as of April 1, 1961, and April 1, 1963, for hogs and cattle.

The CHAIRMAN. How about the other three?

Senator AIKEN. That is all right and put in the chart—that is all right.

(The information appears on p. 29.)

CHART 1.—Trend and cycle in hog prices (200–220 pounds, barrows and gilts at Chicago)



Average price for barrows and gilts at 8 markets

| Year | January | February | March | April | May | June | July | August | September | October | November | December |
|------|---------|----------|-------|-------|-------|-------|-------|--------|-----------|---------|----------|----------|
| 1959 | | | | 16.09 | | | | | | | | |
| 1960 | 12.65 | 13.56 | 15.55 | 15.96 | 16.03 | 16.88 | 17.74 | 16.91 | 16.59 | 17.30 | 17.36 | 17.27 |
| 1961 | 17.33 | 18.13 | 17.53 | 17.04 | 16.37 | 16.60 | 17.87 | 18.33 | 18.18 | 16.85 | 15.97 | 16.90 |
| 1962 | 16.98 | 16.69 | 16.31 | 15.81 | 15.51 | 16.87 | 18.30 | 18.50 | 18.82 | 16.87 | 16.50 | 16.16 |
| 1963 | 15.65 | 15.14 | 14.07 | 13.78 | | | | | | | | |

Monthly average price for choice steers sold out of first hands of Chicago

| Year | January | February | March | April | May | June | July | August | September | October | November | December |
|------|---------|----------|-------|-------|-------|-------|-------|--------|-----------|---------|----------|----------|
| 1959 | | | | 30.33 | | | | | | | | |
| 1960 | 26.42 | 26.69 | 28.08 | 27.76 | 27.43 | 26.04 | 25.64 | 25.07 | 24.80 | 24.94 | 26.08 | 26.86 |
| 1961 | 27.42 | 26.17 | 25.70 | 25.05 | 23.43 | 22.45 | 22.38 | 24.13 | 24.34 | 24.55 | 25.53 | 26.13 |
| 1962 | 26.39 | 26.76 | 27.31 | 27.45 | 26.02 | 25.25 | 26.50 | 28.19 | 29.85 | 29.50 | 30.13 | 28.91 |
| 1963 | 27.27 | 24.93 | 23.63 | 23.94 | | | | | | | | |

Secretary FREEMAN. I do not want to overstate this. As you know better than I, both hogs and cattle, poultry as well, have periodic price cycles, and they have tended to go up and down. The point I am making is that the depth and impact of these cycles has been moderated, and it would be our best judgment that the feed grain program has contributed to that. I think the relatively strong hog and cattle prices, particularly hogs, in 1961 and 1962, were a part of the feed grain program, and that the recent fall in prices has been much more moderate than would have been the case before, and as such that that moderation in part, at least, can be attributed to the usefulness of stable prices in the marketplace.

Senator AIKEN. I am not contending that the feed grain program is responsible for the drop in hog prices or of livestock; in fact, I would put part of the responsibility for this fall in beef prices, particularly on the tax bills which the Congress possibly unwisely approved a year ago, and on other factors as well. However, if you permit them to plant wheat as feed grain, is it not likely that when you get, say, west of the 100th meridian that you would have a heavier production of feed wheat on much of that land than you would have of feed grain, and is it not also true that wheat cannot be used in mixed feeds or other rations and other things in the same manner that sorghum and corn or even barley could be used?

Secretary FREEMAN. Well, Senator, as a midwesterner I was of that opinion until I met with cattlemen from the Far West who assert very positively that they like wheat in their mixing of feed and who say wheat is as good or better feed.

Senator AIKEN. I have also heard from the cattlemen of the Far West and there seems to be a little difference of opinion between the Department and the cattlemen.

Could you tell us, Mr. Secretary, how much food the Department has made available to Cuba since the first of January and of what kinds and in what amounts and how it was obtained, whether through section 32 funds or through the support price programs?

Secretary FREEMAN. The Department has been repaid at the given commercial rates for an advance as a part of the amount—I have forgotten exactly how much—of dry milk solids.

(Supplemental statement filed by the Secretary relative to the above subject is as follows:)

My answer on the question of food distribution to Cuba was somewhat in error. I knew there had been negotiations on the distribution of surplus vegetable oil shortening in addition to the surplus nonfat dry milk solids, but I did not know these arrangements had not been consummated. I was furthermore somewhat unclear on the means of repayment. I would like the record to be clear by stating that surplus nonfat dry milk solids in an amount of 15 million pounds and 20 million pounds of surplus vegetable oil shortening, all from CCC stocks, have been donated to the American National Red Cross in connection with the Cuban prisoner exchange. These commodities were for distribution to needy persons in Cuba under the general supervision of the American Red Cross. The donation of milk was made under section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431) and the donation of shortening was made under section 308 of Public Law 480, as amended (7 U.S.C. 1697). If these products could have been offered "as is" for sale upon the export market, it is estimated that CCC would have received a return of approximately \$1,945,000. Such sales, however, would have displaced other sales upon the market.

At the time of the first donation of nonfat dry milk, the American National Red Cross indicated that the Cuban Families Committee expected to raise funds to reimburse the Department of Agriculture. Since that time, the Red Cross has

arranged for the transfer to the Agency for International Development, free of charge for use of its program abroad, insecticides valued at approximately \$2 million which the Red Cross received as a gift in connection with the prisoner exchange. Thus the U.S. Government has received insecticides having a value exceeding the export value of the dry milk solids donated in connection with the prisoner exchange program.

Senator AIKEN. Yes?

Secretary FREEMAN. These are the only commodities made available for this purpose. It was made available under the disaster and hunger provisions of Public Law 480 and was given to the Red Cross and was made available under their supervision.

Senator AIKEN. Then any foods like flour, potatoes, rice, would have been obtained by other means?

Secretary FREEMAN. By other means; yes, sir.

Senator AIKEN. I am glad to hear that.

I have another question. On Monday morning there is a hearing set for New York City regarding the price of class I milk for all of the Northeastern States. What is the purpose of holding a hearing on class I milk at this time?

Secretary FREEMAN. Well, it is required by law as the Senator knows. If the price becomes—I have forgotten frankly the technical formula in relation to it—the Secretary is called upon to have a hearing to determine whether the price in question is out of kilter in accordance with the applicable formula and I am merely complying with that law.

(Supplemental statement filed by the Secretary relative to the above subject is as follows:)

The New York-New Jersey order requires the Secretary either to call a hearing on class I-A prices or issue a determination that a hearing should not be held whenever the class I price in the New York-New Jersey market exceeds the Midwest condensery price by more than \$2.50 per hundredweight for a period of 3 consecutive months or the cost of production index exceeds the wholesale commodity price index by more than 6 points for 3 consecutive months. Both of these limits have been exceeded for more than 3 consecutive months. Since no reason relevant to the pricing standards of the statute appeared for not calling a hearing, it was thus necessary for us to do so.

We are committed to maintaining price alignment as between the northeastern markets. Should any price adjustment be made under the New York order as a result of this hearing, it would be necessary that appropriate adjustments also be made in the class I prices under the other northeastern orders. Accordingly, the hearing notice was issued to permit consideration of the class I price under each of these orders.

Senator AIKEN. When was the last hearing on class I milk?

Secretary FREEMAN. In New York?

Senator AIKEN. In New York, yes.

Secretary FREEMAN. I do not know.

Senator AIKEN. I do not think you have ever had one yet. I think this is the first one.

What do you hope to accomplish by this hearing?

Secretary FREEMAN. Well, first of all, I am complying with the law and the congressional mandate. And, secondly, to bring about some information that the Department wants and I think the better exchange and interchange of information and awareness of the operation of that order and some of the problems in that area with which you are familiar.

Senator AIKEN. You are, also, familiar with the fact that this law has been on the books a long, long time?

Secretary FREEMAN. Yes, sir.

Senator AIKEN. And that under this law you can reduce the price of class I milk to a level which would put the dairy people of the Northeast practically out of business—you have that authority, do you not?

Secretary FREEMAN. I believe that I do, yes.

(Supplemental statement filed by the Secretary relative to the above subject is as follows:)

In addition to my comment that I believe I may have the authority to reduce the Class I price I would like to say that any price established would have to conform with the standards in the Agriculture Marketing Agreement Act.

The CHAIRMAN. You would not do that, would you?

Secretary FREEMAN. No, sir.

Senator AIKEN. I am glad to hear that, because that is just what they are afraid you are calling this hearing for. You know that. And they feel that you are sort of using it as a club to get them to support dairy legislation to which they are unalterably opposed. And I will say that the dairy people, every cooperative, so far as I know, in New York and in New Jersey and in Pennsylvania and in New England is unalterably opposed to this procedure. They probably have advised you of that.

Secretary FREEMAN. I have been amply advised about it, as I have been about dairying—as I have been about some other things, but I would want to say, in response to your very fair and proper question, that I know there are apprehensions about this and I can assure the Senator from Vermont, who is an expert on problems in dairying, that we have no such intentions in mind.

The law does provide for hearings under the circumstances. The hearings we feel ought to be held and information gained, and carefully and thoughtfully reviewed. There is a need for some action in connection with dairying as this committee is thoroughly familiar, but I, certainly, would not use the hearings or the power that the Secretary might have over price in any coercive fashion in relation to legislation—I have no such intention.

Senator AIKEN. You are, probably, aware of the fact that under the new regulations for the production of class I milk and the fact that the parity formula is completely askew as a yardstick for measuring costs of producing class I milk that, probably, no producer could produce class I milk for 75 percent of parity today.

Secretary FREEMAN. I think that is a fair and accurate statement.

Senator AIKEN. I have here, as I have told this committee once before, a list of 83 sanitary requirements which the New England producers have to comply with, not including the butterfat content or bacteria count, before he can ship a pint of milk into the market. And all of these requirements did not exist when the parity yardstick was adopted. I do not think the parity yardstick is a yardstick for many commodities as of today.

I have one other question that came up at a hearing before Senator Holland's Committee on Agricultural Appropriations. Your assistants, Mr. Godfrey and Mr. Duncan, were there. The question came up as to whether the Department was in any way seeking to influence the vote on the forthcoming wheat referendum.

Secretary FREEMAN. No, sir.

Senator AIKEN. Mr. Duncan replied that the Department was not in any way seeking to influence the vote and, in fact, it would be illegal for them to do so, although that latter statement is not in the record. But you agree with Mr. Duncan's statement that the Department is not in any way seeking to influence the vote on the wheat referendum and that it would be illegal for you to do so?

Secretary FREEMAN. Let me answer that this way, if I may, Senator, that my instructions are to all employees of the Department to inform themselves and to respond to questions, to attend meetings, if you will, to present information, so that the farmers are informed as they vote on the referendum which the Congress directed that the Department should sponsor on wheat. And they are directed not to be advocates. I, personally, would, certainly, never dream of trying to tell anybody how to vote. But they are rather seeking to inform as to what the alternatives are on a rather complex question.

There have been a number of such allegations in connection with the campaign. There is an issue about which there is some feeling. And in most such contests, I am sure that there will be allegations, but my instructions—and I believe they are being carried out—are to inform the farmers, certainly, not to exhort them.

Senator AIKEN. Then it is your contention that neither you nor any other officials of the Department, with your knowledge, have undertaken to organize sentiment in favor of any vote on the wheat referendum?

Secretary FREEMAN. To my knowledge, all I can say is that I believe that our directives are being carried out.

Senator AIKEN. Well, I think that I have used time enough. I am very glad of that assurance that you are not going to use your authority to reduce the price of the class I milk as any club, for any purpose.

Senator HICKENLOOPER. Will you yield at that point?

Senator AIKEN. I will yield if I have the authority to yield.

The CHAIRMAN. I thought that we would take them in order.

Senator HICKENLOOPER. This is in direct connection with what the Senator is asking.

I merely wanted to ask the Senator if he is aware of the bulletin from McCone County, Mont., in which instructions under the imprimatur of the U.S. Department of Agriculture are quite specific about about the duties of the county committee to organize groups for the purpose of inducing them to vote "yes" and that the county officials were informed that funds in excess of \$900 had been provided in this county earmarked for the use of McCone County to promote a "yes" vote, and these suggestions were made by the officials there of the Department to have "potluck dinners" and to hold meetings and socialize with the people and attend the meetings and to provide lecturers for the so-called elections, so that the "yes" vote was gotten out.

Senator AIKEN. I believe I have received that material, along with a lot of other material which I have not had time to study. As a matter of fact, in this session of Congress, we have never been so busy accomplishing so little and we just do not have time to read those things. I will have to say that I have not read that document, although I did know that something came into the office.

Senator HICKENLOOPER. It is very interesting. There is a considerable volume of other information along that line which is to the very point that the Senator has raised.

Secretary FREEMAN. Might I ask a question? Is the communication to which you refer which perhaps has been called to my attention at a previous hearing in the House—is that a letter from a county chairman to the State ASC chairman—is that correct?

Senator HICKENLOOPER. This is a letter to Mr. James F. Battin, U.S. Representative, Washington, D.C., and it is signed by Mr. E. R. Merriman, chairman of the McCone County ASCA Committee; Harold Meissner, vice chairman; Milo C. Hilsted, regional manager; Francis D. Kelly, county office manager, McCone County ASC and it says at the bottom that this letter is being sent to national, State, and local officials.

Secretary FREEMAN. This is an allegation then of an elected county committee?

Senator HICKENLOOPER. And in this letter it says also that they say that the instructions to them have been such. This letter, I think, was discussed in the House of Representatives.

Secretary FREEMAN. Yes, sir.

Senator HICKENLOOPER. I do not know that it has been proved to be so.

Senator AIKEN. I would say to any county chairman or any member who made any such statement or issued such letter as that that he is subject to dismissal under the rules which have been set up for the administration of the ASC.

Secretary FREEMAN. Yes, sir; because this was brought to my attention in the House, I have looked into it. In this instance the letter refers to a conversation held between a former fieldman and this elected county committee pursuant to a request by the county committee for an additional allocation of funds. I believe that they asked for \$5,000, because they were short of money. There have been or will have been two referendums held in this fiscal year. Obviously, this is a lot of work and is somewhat expensive. The State committee did not allocate the amount asked. They did allocate \$900. And they told them that the \$900 should be used to be sure that the referendum was properly carried forward and that the farmers within the area in which they have jurisdiction were adequately informed in connection with the issues. And that is the extent of it.

Senator HICKENLOOPER. From what they alleged the instructions to be—and I am quoting paragraph No. 2 of the alleged instructions—it says those instructions were in brief:

The county officials were informed that a fund slightly in excess of \$900 had been made available and was earmarked for use in McCone County to promote a "yes" vote. It was suggested that this money be used in the following manner—hold three meetings with the community committee to discuss and encourage a "yes" vote. It was suggested that one of these meetings be held in the evening with a "potluck" dinner where the wives would be present and county office officials would "socialize" with community committeemen and their wives for the purpose of encouraging conversation on ways to get out a "yes" vote. It was suggested that the county committee provide a poll watcher at each community polling place. The function of this individual would be to appraise the people who are voting and should it come to his attention that certain farmers who are known to favor a "yes" vote have neglected to appear he is to contact that farmer and encourage him to come to the poll and cast his ballot. This so-called poll watcher could be one of the referendum committeemen or it could be another individual. Should it happen that in the discrimination of the county committee, the three referendum committeemen would not take favorably to a suggestion of this nature.

Then paragraph 3 goes to the point of setting up the poll watchers in order to be sure about this vote.

Senator AIKEN. I would like to ask the Secretary one more question. I happen to be reading the rules and regulations which were issued on March 1. I find when it comes down to the county and community committeemen, their terms of office, that is, it states:

County and community committeemen and alternates to such office shall begin on the 1st day of the month next after their election: *Provided, however,* That before any such county committeeman or alternate county committeeman may take office he shall sign a pledge that he will faithfully, fairly, and honestly perform, to the best of his ability, all of the duties devolving upon him as a committeeman and that he will support the program he is called upon to administer.

Does this mean under that regulation that you would hold that a county committeeman or a community committeeman would have authority to advise his wheatgrowers to vote "no"?

Secretary FREEMAN. Yes, sir.

Senator AIKEN. In the referendum?

Secretary FREEMAN. Yes.

Senator AIKEN. He would?

Secretary FREEMAN. Yes. I might comment on this, because it has raised some questions. I know that this committee is aware of the fact that the administration of the farm program, I think, is unique in the annals of government in any country that I know of. I do not know of any similar institution where elected county committeemen administer a program and make decisions involving the expenditure of many millions of dollars for which the Secretary of Agriculture is held responsible to the Congress and the people of the United States. Because of this structure, I think a good look, periodically, is healthy.

I appointed a bipartisan committee which made a study on the operations of the committee system. One of the recommendations was that in view of the responsibility of the Secretary and the necessity for effective administration that they thought that the people, in order to serve on county committees and community committeemen, ought to believe in the programs they carried forward and not be critical and hostile to them. And they recommended that the regulations be amended to provide that they should do so.

In view of that recommendation a proposed change in the regulations has been published in the Federal Register for all to see and give comments thereto. This does not mean that anyone is signing a blood oath, but it does say that they will honestly and faithfully carry this forward and in effect that if they do not believe in the program in question that they ought not to stand for election, because once elected they are called on to carry forward the programs passed by the U.S. Congress which I am responsible to administer.

And it seems to me that this is only logical and rational and as such this regulation has been promulgated in the Federal Register.

Senator AIKEN. As of March 1 of this year?

Secretary FREEMAN. Yes.

Senator AIKEN. For the first time. However, the committeemen elected by the farmers are elected by the farmers of the community and of the county?

Secretary FREEMAN. That is correct.

Senator AIKEN. They are elected by them?

Secretary FREEMAN. Yes.

Senator AIKEN. Should they not represent the views of the farmers in their community or what?

Secretary FREEMAN. Well, that is a good question.

Senator AIKEN. I would say that it is an excellent one.

Secretary FREEMAN. I am open to some comments in connection with it. In connection with the administration of the program, every farmer can vote in connection with who should be on the committee. We sometimes have the requirement that before someone can run for elective office you have got to be so old—you have got to live in the county or in the State for so long, and so forth. There are certain minimum requirements.

In this instance, because they are going to actually administer a program involving millions of dollars, for which I am responsible to the Congress, they should believe in the program they are administering and that may be a reasonable requirement.

But I would be interested in the advice of this committee in connection with it. This is no effort to choke off or to thwart it. I believe in the elective county system. I have strengthened it substantially since I have been Secretary. I do not think we can administer the complex, detailed farm programs otherwise, but I must admit that I am a little uncomfortable, sitting in my corner office, with the knowledge that there are allegedly 10 to 20 percent of these people that are elected to committees who are vitally opposed to the programs that they administer. I do not think it is a very healthy situation.

It does not make me sleep very well.

The CHAIRMAN. Senator Holland?

Senator HOLLAND. Mr. Secretary, I have read your statement. I have been looking at the tables attached thereto. I wish you would go to table No. 5. I note that the figures, shown in millions of tons by acreage diversion, seem to be major items upon which any savings of these 3-year programs, could, approximately, be predicated, is that correct?

Secretary FREEMAN. No, I do not think so. If you will look at the figures immediately above, since the reduction from the prior years, those figures are greater, I think, in total than the figures for the acreage or the bushels that would have been produced in the "Absent" column, but they are of significance.

Senator HOLLAND. I notice that the total millions of bushels that would have been avoided, as you state in this column, by acreage diversion, are as follows, if I understand the table correctly, is 834 million in 1961.

Secretary FREEMAN. 8.34 it should be—yes, yes.

Senator HOLLAND. 1,008 in 1962.

The CHAIRMAN. That is billions.

Secretary FREEMAN. 1,008 million.

Senator HOLLAND. Yes. It is 1,008 million bushels and that would be 1 billion 8 million.

Secretary FREEMAN. Yes.

Senator HOLLAND. And 850—we are talking in terms of millions of bushels?

Secretary FREEMAN. Yes, sir.

Senator HOLLAND. It was 850 in 1963, or, as I add it correctly, 2,692 million bushels, which were avoided by acreage diversion in the 3-year program—am I correct in that?

Secretary FREEMAN. You are correct, but that figure is a combination of the two figures, Senator. If you will go to the next grouping, the two figures would include both the actual cutback in production from the previous years, plus the amount that would have been produced in addition without the program. And this then is the total figure of both.

Senator HOLLAND. I do not so read it. It seems to me that the figures I have given you are the figures stated in the table as the production that was avoided by the acreage diversion entirely, and that is all it is.

Secretary FREEMAN. It is the bushels—well, I expect that might be right—made up of two components to which I referred.

Senator HOLLAND. No, no.

Secretary FREEMAN. Yes, sir.

Senator HOLLAND. It is solely that avoided by acreage diversion, is it not?

Secretary FREEMAN. No, sir. If you will look at the next grouping and notice here that the reduction from the prior years—here, you see [indicating] this is 450 production increase would have occurred from the previous prior years.

Senator HOLLAND. You are reading from that part that deals with Commodity Credit Corporation holdings?

Secretary FREEMAN. Yes.

Senator HOLLAND. I am dealing with this—I am reading from that part of the table that deals with production in millions of bushels and not with Commodity Credit Corporation holdings, I may be wrong. I want to be very clear about this. That is the reason I am asking the question. And I can ask our technical people, and your technical people—you have, probably, got some of them with you—whether my understanding is correct that that is the production that was avoided by acreage diversion entirely—is that correct?

**STATEMENT OF ROBERT P. BEACH, DEPUTY ADMINISTRATOR
FOR MANAGEMENT, AGRICULTURAL STABILIZATION AND
CONSERVATION SERVICE, U.S. DEPARTMENT OF AGRICULTURE**

Mr. BEACH. You are both correct—the amount——

The CHAIRMAN. Will you give us your name?

Mr. BEACH. My name is Robert P. Beach. The production that would be avoided is shown there for 834 million bushels for 1961 which represents two things: One is the difference between the actual production in the crop year 1961 which represents the reduction which occurred as the result of acreage diversion and a comparison of that figure with what it would have been had there been no acreage diversion. You have really got a combination of the two.

Senator HOLLAND. All right. What is the figure, Mr. Beach, which represents for that year the amount that would have been produced if there had not been acreage diversion? It is my understanding that that was that figure.

Mr. BEACH. That is correct. The 5,336,000 is the total production that we would have had had there been no acreage diversion. The 4,502,000 is what we did have with acreage diversion. This is it.

Senator HOLLAND. All right. Then the 834 is what is attributed to acreage diversion?

Mr. BEACH. Correct.

Senator HOLLAND. And similarly for 1962 the 1,008 million represents the same?

Mr. BEACH. Yes.

Senator HOLLAND. The 850 represents the estimated reduction for 1963?

Mr. BEACH. Yes, sir.

Senator HOLLAND. Now it is very clear that the validity of any claim that there has been a saving in these three programs results entirely from the accuracy of these figures.

Mr. BEACH. The actual savings computations are based as the Secretary tried to point out to you on the reduction in Commodity Credit Corporation holdings. That was different from the reduction in production.

In other words, we are only speaking there, so far as savings are concerned, of the Commodity Credit Corporation operation.

Senator HOLLAND. But in both instances, though, they come from the reduction in production?

Mr. BEACH. Or the reduction in Commodity Credit Corporation holdings—the reduction in production.

Senator HOLLAND. I am going to come to this next table later.

Mr. BEACH. But there are other factors that affect the total stocks.

Senator HOLLAND. Then the total saving in the ultimate instance is to be based upon the reductions, computed by somebody in the total production that was avoided by acreage diversion; is that correct?

Mr. BEACH. Yes, sir. May I explain the computation?

Senator HOLLAND. I would like to have it explained for the record, because I think that this is the meat of the whole question, whether the program has been valuable or not, as to how this computation is made and upon what it is based.

Mr. BEACH. This computation is made, Senator Holland, by means of a committee of all of the commodity experts in the Department of Agriculture, the Economic Research Service, the Statistical Research Service, the Agricultural Conservation Service, and to the extent that dispositions are involved, the Foreign Agricultural Service, the Agricultural Marketing Service; in other words, all of the brains that can be brought to apply to make this estimate are brought to apply to it.

It is not any one person's estimate. It is the combined best judgment of the experts in the Department of Agriculture. And these estimates are made in the same manner they have been made for 10 years—no change in the basic method. They are the same bases that were used in making the estimates that have gone into the situation reports that come out periodically—qualitative estimates of the Department of Agriculture.

Senator HOLLAND. Are these estimates based upon the average production in the specific years per acre for the whole acreage used in the production?

Mr. BEACH. No, sir; we can give the details that back up the estimates. What is referred to is the yield practice, in this connection the estimates are based on the assumption that one-third of the increase in yields that have occurred have been due, solely, to the program; one-third have been due to the weather; and one-third

have been due to the trend in yields which will continue whether you had a program or not.

In other words, the increase in technology, more advanced knowledge of fertilizer, seeds, and so forth. To repeat, one-third of this yield is as a result of the feed grain program; one-third is attributable to the weather. There have been independent studies which have indicated that we are conservative in making this estimate on this basis.

Secretary FREEMAN. Might I make a comment there?

Senator HOLLAND. Ycs. But before he gets away from us, I think he stated that he could supply the whole data which justifies this, and I think that it should be supplied for the record, because in talking with some rather well informed people this is a figure which has been very definitely questioned. They feel that the acreage diverted—let me state that this is not my own view, but what has been brought to my attention—they feel that the acreage diverted has been almost completely the least desirable acreage, and that the computation here does not take into consideration that fact.

They may be right and they may be wrong. That is the reason for my question. They feel that the whole of any showing of profitable results from these three programs hinges upon the accuracy of these computations which I am talking about. Therefore, I think that we should have in the record the method of the making of the computations and, particularly, a statement as to how they allow for the fact that the least desirable, the least productive acreage was, as these people tell me, in the main, was eliminated.

Secretary FREEMAN. I would like, if I may, in connection with this, to direct everyone's attention to this, because Senator Holland has put his hand on the heart of this.

We will be happy to submit for the record these figures. It is our feeling that we have been very conservative in the figures. If you will look at the table No. 5 attached to our testimony, actually, it should be No. 2, and look down the column, the 1961 column, you will come to the figure of 254. Now that is the increase that would have taken place in the Commodity Corporation stocks from production that would have resulted——

Senator HOLLAND. Not in production—you mean in acquisition.

Secretary FREEMAN. In acquisition, but it would have come from production that did not result. We will be very happy to refer to this, but I would just say this now that when you go back and take a look at the acreage for 1952 through 1960 you will find that the acreage would have been constant. You have a table that Senator Ellender sent you that we prepared at his instant entitled, "Feed Grains: Acres Harvested and Yields, 1953-62"—you have that table—this is table No. 10 and it shows almost the same acreage in 1960 as in 1962.

Senator AIKEN. What is that acreage?

Secretary FREEMAN. That was 71.4 million acres.

Senator AIKEN. Not planted.

Secretary FREEMAN. That is harvested; yes. I am speaking about corn now. From 1952 to 1960 there was a steady climb in yield on those acres. And I would suggest to you that there has been no reason in the world but what that steady climb would continue. It has continued. And it would have continued, in any event.

These estimates rest on a solid historic foundation of acres and increasing production for the past 10 years. The truth of the matter

is that from 1952 to 1960, with a drop in support price of about 35 percent and an expenditure of over a billion dollars there was an increase in production of over a billion bushels during those years than under previous programs.

We will be happy to submit the background data for these estimates for the record. And I would say that this program, actually, is better in my judgment than the figures I have submitted to you this morning, because they are conservative, hard, solid figures that we will document in the record.

(The information referred to follows:)

Feed grains: Acres harvested and yields, 1953-62

[In millions of acres]

| | Corn | Grain sorghums | Barley | Oats | Total 4 feed grains |
|-----------|------|-------------------|--------|------|------------------------|
| Year: | | | | | |
| 1952..... | 71.4 | 5.3 | 8.2 | 37.0 | 121.9 |
| 1953..... | 70.7 | 6.3 | 8.7 | 37.5 | 123.2 |
| 1954..... | 68.7 | 11.7 | 13.4 | 40.6 | 134.3 |
| 1955..... | 68.5 | 12.9 | 14.5 | 39.0 | 134.9 |
| 1956..... | 64.9 | 9.2 | 12.9 | 33.3 | 120.3 |
| 1957..... | 63.1 | 19.7 | 14.9 | 34.1 | 131.7 |
| 1958..... | 63.5 | 16.5 | 14.8 | 31.2 | 126.1 |
| 1959..... | 72.1 | 15.4 | 14.9 | 27.8 | 130.2 |
| 1960..... | 71.6 | 15.6 | 13.9 | 26.6 | 127.8 |
| 1961..... | 58.4 | 11.0 | 12.9 | 24.0 | 106.3 |
| 1962..... | 56.8 | 11.5 | 12.4 | 22.9 | 103.8 |

Crop yields: Bushels per harvested acre

| | Corn | Grain sorghums | Barley | Oats | Total 4 feed grains |
|-----------|------|-------------------|--------|------|------------------------|
| Year: | | | | | <i>Pounds</i> |
| 1952..... | 41.8 | 17.0 | 27.7 | 32.9 | 1,820 |
| 1953..... | 40.7 | 18.4 | 28.4 | 30.7 | 1,757 |
| 1954..... | 39.4 | 20.1 | 28.4 | 34.8 | 1,699 |
| 1955..... | 42.0 | 18.8 | 27.8 | 38.3 | 1,792 |
| 1956..... | 47.4 | 22.2 | 29.3 | 34.5 | 1,984 |
| 1957..... | 48.3 | 28.8 | 29.8 | 37.9 | 2,011 |
| 1958..... | 52.8 | 35.2 | 32.3 | 44.8 | 2,286 |
| 1959..... | 53.1 | 36.0 | 28.3 | 37.9 | 2,298 |
| 1960..... | 54.5 | 39.8 | 30.9 | 43.4 | 2,435 |
| 1961..... | 62.0 | 43.8 | 30.6 | 42.2 | 2,645 |
| 1962..... | 64.1 | 44.1 | 34.5 | 45.0 | 2,758 |

Source: Crop Production, 1962 Annual Summary, USDA, Apr. 27, 1963.

Senator HOLLAND. I will be very pleased if that will be documented. The people who have talked to me have talked about this increased production of acres through the years you have mentioned. They have, also, indicated to me that the acreage that was diverted was, by and large, the inferior acreage, the less productive acreage. What is your opinion on that?

Secretary FREEMAN. I think that it is quite possible that a farmer would not divert the most productive acres. I think that is very, very logical. That very fact is taken into consideration in the estimates made, whether they would have continued to produce on those acres, whether they were more or less productive, and the increase in production is based on the historical pattern which would have taken place, and I would say that the inquiry is largely irrelevant in terms of whether the best or the least productive acres were used.

I do not think, really, that is a pertinent inquiry.

Senator HOLLAND. In other words, you do not think that the amount of production that was prevented by the diversion affects it at all or is affected by the question of whether the least or the most productive acres were diverted?

Secretary FREEMAN. No, sir. If you took the most productive you, probably, would have gotten more diverted, but what I am saying is that you would have had the figures. These are based upon the assumption of the least productive acres. And in total it would not have made any difference. It would have been highly desirable if you could have gotten them to take the most productive acres out, but the results are the same. In any event, it would have been more successful, but it is as successful as it is with that fact. And this is, of course, what has been shown here.

Senator HOLLAND. I am interested in one thing you have just said, because I think it is sound, if it is supportable, that is, that the estimates of the amounts of production saved by the diverted acres is based upon the assumption that the least productive acres were diverted.

Secretary FREEMAN. That is true. We have definitely attributed, taken that into consideration, and we have attributed one-third of the increase in production to increased yield in the program.

Senator AIKEN. Will you yield?

Senator HOLLAND. I yield.

Senator AIKEN. In making the estimates of the amount which would have been produced in 1961, had there been no diversion program, that estimate, we will say, for corn, was based on the acreage planted in 1960, wasn't it?

Secretary FREEMAN. I am not sure I know that.

Senator AIKEN. Mr. Beach can answer that.

Mr. BEACH. It was based on, essentially, the continuation of the base acreage.

Senator AIKEN. That is right.

Mr. BEACH. 1959-60 base.

Senator AIKEN. Are you familiar with the intentions to plant that were published in March 1961?

Mr. BEACH. Yes, sir; I remember.

Senator AIKEN. Did not those intentions to plant show that the farmers intended to plant about 3 to 4 million acres less corn than they did in 1960, even though the program had not even been established at that time?

Mr. BEACH. I do not recall, but, of course, there was some discussion of the program.

Senator AIKEN. You will find that it was.

Secretary FREEMAN. Was it a program at that time? The first special emergency program was in effect before the instructions came out.

Senator AIKEN. I think that you announced the soybean program, and they intended to divert 3 to 4 million acres from corn to soybeans, and in that respect they, probably, did not divert the least productive acres to soybeans, but if they were diverting to nothing at all they would take out the poorest acres. I am pointing out that there was some extenuating circumstance there which might conceivably throw your figures off.

Secretary FREEMAN. Anyway, between 1960 and 1961 yields increased 7.5 bushels per acre, which was wholly abnormal and was in

part, certainly due to the weather. And according to every independent analysis that was really the critical key year—nothing like it before or since.

And this has been taken into consideration. We would really have been loaded up if that had gone to market.

Senator AIKEN. I might, also, point out in connection with your statement that the production increased over a period of years 1 billion bushels.

Secretary FREEMAN. That is right.

Senator AIKEN. That consumption, also, kept good pace with production.

Secretary FREEMAN. Yes.

Senator AIKEN. And we produced less and consumed more feed grains last year and the year before than we produced in the years 1959 and 1960. That did help in a way in reducing your total supply.

Secretary FREEMAN. This was a part of the calculation of a growing nation.

The CHAIRMAN. Senator Holland?

Senator HOLLAND. Incidentally, I notice that the figure under 1962 for the actual Commodity Credit Corporation holdings at the end of the marketing year is an estimated figure of 1,888 million bushels. I wonder if that could not be made an actual figure for the purpose of making it a more definite compilation.

Secretary FREEMAN. We can get the figures for given dates. The end of the marketing year is June 30, 1963, for 1962 crop barley and September 30, 1963, for corn and grain sorghums, Senator.

(CCC stocks under loan and in inventory were as follows:)

[Million bushels]

| End of marketing year | 1960 | 1961 | 1962 estimate | 1963 estimate |
|-----------------------|--------|--------|---------------|---------------|
| October 1: | | | | |
| Corn..... | 1, 927 | 1, 556 | 1, 215 | 1, 010 |
| Grain sorghum..... | 695 | 663 | 610 | 560 |
| July 1: | | | | |
| Barley..... | 96 | 50 | 55 | 40 |
| Oats..... | 38 | 32 | 35 | 25 |
| Total..... | 2, 756 | 2, 301 | 1, 915 | 1, 635 |

Senator HOLLAND. The next question, and, probably, my last one is this: I noticed from your first table which has to do with the contrast of production with the disappearance for each year; first, may I state as to what this disappearance means to me, it means consumption, whether on the farm or by manufacturing industries or by foreign sales.

Secretary FREEMAN. Yes, sir.

Senator HOLLAND. All kinds of use which causes the material to disappear as a physical entity in that particular year, is that what that figure means?

Secretary FREEMAN. Yes, sir.

Senator HOLLAND. I had assumed as much. Now I find it very difficult, in fact, I have not been able to reconcile these figures shown there. Let us say for 1961, they show a disappearance in 1961 of 154 million bushels.

The CHAIRMAN. Tons.

Senator HOLLAND. Yes, tons—154 million tons, and I note that that was a greater disappearance by about 8.1 million tons, if I read the table accurately, then the disappearance in 1960, is that correct?

Secretary FREEMAN. Yes, sir.

Senator HOLLAND. Well, I have tried to make that figure comply in some way with the table of Commodity Credit Corporation holdings on the following page which is table No. 5, and you say that should be table No. 2—

Secretary FREEMAN. Yes.

Senator HOLLAND. And I do not find any identity between the Commodity Credit Corporation holdings, the decrease thereafter, and the combined figures of 1957 and the decreased production shown in the first table. That seems to me is something that should be fully explained and which should be furnished by your statisticians, because, perhaps, I am in error; but I find no way to reconcile those two figures and they ought to be reconcilable, it seems to me.

Mr. BEACH. May I make a comment?

Senator HOLLAND. Yes, sir.

Mr. BEACH. The figures on disappearance, of course, reflect the total change in total stocks in all positions whether or not the Commodity Credit Corporation holds them or who holds them or if they are on the farm.

Senator HOLLAND. I understand.

Mr. BEACH. The difference in the Commodity Credit Corporation holdings is only the residual part of the total supply available at the beginning of the marketing year which is not otherwise sold during the year. We usually end up by taking over that which does not disappear.

Senator HOLLAND. But it seems to me that the difference in Commodity Credit Corporation stocks would be bound to represent two things, the difference in the disappearance figures and—

Mr. BEACH. Yes.

Senator HOLLAND (continuing). And the difference in production.

Mr. BEACH. It does, basically it does. Basically, the change in Commodity Credit Corporation stocks would represent the difference between the total supply and the total disappearance of the feed grains in the year. In other words, the portion of the total supply not used ordinarily would be acquired by the Commodity Credit Corporation. The portion of the supply which is not available, in the event that consumption under disappearance is greater than supply, as it was in the marketing year for the 1961 crop, would mean a reduction in the Commodity Credit Corporation stocks.

Similarly, in 1962 that is what is shown here.

Senator HOLLAND. How long would it take you to give this committee the detailed explanation of your compilation of the figures used in these two tables?

Mr. BEACH. We can do it at once.

Senator HOLLAND. You mean by tomorrow?

Mr. BEACH. Yes, sir.

Senator HOLLAND. Well, I will appreciate, Mr. Chairman, very much our being supplied with that, because there seems to be great confusion in this particular question. I read in the debates in the House, for instance, that there was some difference between those who said that the program had been useful and helpful and those who

said that it had not been, or, let us say, between those who were varied in their appraisal of the value of the program, as to this very point.

Secretary FREEMAN. How much would have been produced.

Senator HOLLAND. Yes, how much would have been produced. And I think that the committee needs to have a full showing on that subject.

So if you will give us that in some detail, Mr. Beach, tomorrow, and make it very plain, because we are laymen and not statisticians and it will have to be very plain for us to understand it; at least, may I speak for myself that that is the case.

Mr. BEACH. Yes, sir.

The CHAIRMAN. We will put the several documents into the record at this point.

(The information is as follows:)

DETAILED DATA AND ASSUMPTIONS RE TABLES PROVIDED SENATE COMMITTEE ON
AGRICULTURE AND FORESTRY

(Requested by Senator Holland on May 3, 1963)

Attached are tables providing additional detail regarding harvested acreage, yield, production, utilization, and differences in carryovers and CCC stocks, which were used in developing data previously submitted to the Senate Committee on Agriculture and Forestry. All basic data for estimates are developed in the Interagency Feed Grain Estimates Committee which includes personnel from the Economic Research Service, Foreign Agricultural Service, and the Agricultural Stabilization and Conservation Service. Personnel from other departmental agencies such as the Statistical Research Service and the Agricultural Marketing Service are consulted with and data developed cooperatively.

Actual data were used wherever available, particularly with respect to what actually occurred in 1961 and 1962.

Assumptions made in developing estimates of what would have occurred if the voluntary feed grain programs had not been in effect include the following:

1. Harvested acreage of corn, grain sorghums, and barley in 1961, 1962, and 1963 would have been the same as the 1959-60 average, if acreage diversion programs had not been in effect. Harvested acreage of oats is assumed to be the same with and without the programs, since this crop was not included in the program.

2. Yields without the voluntary programs would have been lower than those which occurred, by the following number of bushels per harvested acre: Corn, 2.5; grain sorghums, 0.8; and barley, 0.3. These lower yields would result, it was assumed, because farmers would divert their lower yielding acreage and that yields on acreage actually harvested under the program would be greater than without the program as a result of more intensive cropping by participants. For example, the 1962 harvested acreage of corn assumed without a program is 15.1 million acres greater than that which actually occurred under the 1962 program. It is assumed that this acreage would have had an average yield of only 52 bushels per acre, compared with the 64.1 bushels official yield for all corn acreage harvested for grain in 1962.

It should be noted that in 1963, 4.1 million acres were signed to be diverted on farms that diverted their entire feed grain base.

Further, it is important to note that the basic data used herein are those harvested for grain and no consideration was given to the fact that the program did result in reducing the acreages and production for forage and silage. The crop report indicates that the acreages of corn and grain sorghums used for forage and silage for 1960 totaled 12.9 while those for 1961 totaled 10.8, and for

1962, 11.7 million acres. No attempt was made to evaluate the effect of such reduction of forage and silage acreage on the utilization of grain. No doubt, many of these farmers who reduced their acreage of forage and silage were required to purchase additional quantities of grain and consequently, the utilization under the "without" program may be somewhat overstated. If this is true, the total carryover, if the programs had not been in effect, would have been larger than those indicated.

3. Utilization is made up of exports and domestic disappearance. The quantity fed is the component of domestic disappearance which is most likely to vary. Exports are assumed to be the same without the program as with it, and the same holds true for components of domestic disappearance, other than quantities utilized for feed. Quantities fed—and total disappearance—is assumed to be greater without the program than with it, since prices would be lower and supplies greater. Generally, a 2.5-percent decrease in prices will bring about an increase of about 1 percent in quantity fed. For example, the assumed farm price of corn in 1962 would have been about 11 percent lower, if the program had not been in effect. The quantity of feed grains fed was assumed to be about 4 percent greater.

4. Ultimate savings: The assumption used in connection with the estimated ultimate savings as a result of the program are shown on the attached tables.

Based on 1961 experience, the estimates are conservative. The actual reduction in carryover stocks during the marketing year for the 1961 crop was nearly twice the reduction estimated when the program started.

ASSUMPTIONS USED FOR COMPUTATION OF ULTIMATE NET SAVINGS

1. Acquisition costs avoided: The difference in total carryout with a feed grain program was subtracted from total carryout without a feed grain program. This difference was priced at the old price support rate less a salvage value of 50 percent to determine net acquisition costs avoided. The acquisitions avoided used to arrive at above costs were:

[Million bushels]

| | Corn | Sorghums | Barley | Total |
|-------------------|------|----------|--------|-------|
| 1961 program----- | 570 | 134 | ----- | 704 |
| 1962 program----- | 680 | 115 | 25 | 820 |
| 1963 program----- | 480 | 150 | -5 | 625 |

2. Carrying costs avoided: Carrying costs for storage, transportation, and in-and-out charges were computed to ultimate disposition for acquisitions avoided. Number of years estimated to dispose of acquisitions avoided were:

| | Corn | Sorghums | Barley |
|-------------------|------|----------|--------|
| 1961 program----- | 9 | 9 | ----- |
| 1962 program----- | 8 | 8 | 2 |
| 1963 program----- | 6 | 8 | ----- |

3. Interest savings: Net savings in interest expenses were computed for number of years estimated to dispose of acquisitions avoided. This includes interest savings on acquisition costs and carrying charges less additional interest expense for land retirement payments and other operating costs.

4. Land retirement payments: Estimates for advance and final payments to producers for reducing 1961 acreages of corn and grain sorghums and 1962 and 1963 acreages of corn, grain sorghums and barley.

5. Administrative expenses: This includes printing costs and estimates for the operation of the feed grain program at the National, State, and county level.

*Feed grain summary: Comparison of supply—Utilization for marketing years
1960-61 through 1963-64*

| Item | Market- ing year 1960-61 | Marketing year 1961-62 | | Marketing year 1962-63 | | Marketing year 1963-64 | |
|---|-----------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | | With pro- gram | With- out pro- gram | With pro- gram | With- out pro- gram | With pro- gram | With- out pro- gram |
| Acreage and yield: | | | | | | | |
| Diverted acres (special program) millions..... | 0 | 25.2 | 0 | 28.6 | 0 | 25.7 | 0 |
| Harvested acres.....do..... | 127.8 | 106.3 | 124.3 | 103.8 | 124.7 | ¹ 105.7 | 123.8 |
| Supplies: | | | | | | | |
| Beginning stocks million short tons..... | 74.6 | 84.7 | 84.7 | 71.8 | 91.5 | 61.0 | 103.9 |
| Production.....do..... | 155.6 | 140.6 | 164.0 | 143.1 | 171.1 | 147.0 | 170.3 |
| Imports.....do..... | .4 | .5 | .5 | .3 | .3 | .3 | .3 |
| Total.....do..... | 230.6 | 225.8 | 249.2 | 215.2 | 262.9 | 208.3 | 274.5 |
| Utilization: | | | | | | | |
| Domestic.....do..... | 133.2 | 136.7 | 140.4 | 138.7 | 143.5 | 140.5 | 145.6 |
| Exports.....do..... | 12.7 | 17.3 | 17.3 | 15.5 | 15.5 | 14.5 | 14.5 |
| Total.....do..... | 145.9 | 154.0 | 157.7 | 154.2 | 159.0 | 155.0 | 160.1 |
| Ending stocks.....do..... | 84.7 | 71.8 | 91.5 | 61.0 | 103.9 | 53.3 | 114.4 |
| Change in total stocks.....do..... | +10.1 | -12.9 | +6.8 | -10.8 | +12.4 | -7.7 | +10.5 |

¹ Increase, compared to 1962 with the program, is less than the reduction in diverted acreage to reflect the drop in oat acreage and the increase in acreage harvested for forage and silage.

*Corn: Comparison of supply—Utilization for marketing years 1960-61 through
1963-64*

| Item | Market- ing year 1960-61 | Marketing year 1961-62 | | Marketing year 1962-63 | | Marketing year 1963-64 | |
|---|-----------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | | With pro- gram | With- out pro- gram | With pro- gram | With- out pro- gram | With pro- gram | With- out pro- gram |
| Acreage and yield: | | | | | | | |
| Diverted acres (special program) millions..... | 0 | 19.1 | 0 | 20.4 | 0 | 17.7 | 0 |
| Harvested acres.....do..... | 71.0 | 58.4 | 71.9 | 56.8 | 71.9 | 59.4 | 71.9 |
| Yield per harvested acre.....bushels..... | 54.5 | 62.0 | 59.5 | 64.1 | 61.6 | 64.0 | 61.6 |
| Supplies: | | | | | | | |
| Beginning stocks.....million bushels..... | 1,787 | 2,008 | 2,008 | 1,640 | 2,210 | 1,300 | 2,550 |
| Production.....do..... | 3,908 | 3,626 | 4,275 | 3,644 | 4,430 | 3,800 | 4,430 |
| Imports.....do..... | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Total.....do..... | 5,696 | 5,635 | 6,284 | 5,285 | 6,641 | 5,101 | 6,981 |
| Utilization: | | | | | | | |
| Domestic.....do..... | 3,396 | 3,562 | 3,641 | 3,610 | 3,716 | 3,651 | 3,801 |
| Exports.....do..... | 292 | 433 | 433 | 375 | 375 | 355 | 355 |
| Total.....do..... | 3,688 | 3,995 | 4,074 | 3,985 | 4,091 | 4,006 | 4,156 |
| Ending stocks.....do..... | 2,008 | 1,640 | 2,210 | 1,300 | 2,550 | 1,095 | 2,825 |
| Change in total stocks.....do..... | +221 | -368 | +202 | -340 | +340 | -205 | +275 |
| CCC loans and inventories: | | | | | | | |
| Beginning of marketing year.....do..... | 1,702 | 1,927 | 1,927 | 1,556 | 2,126 | 1,215 | 2,465 |
| Ending of marketing year.....do..... | 1,927 | 1,556 | 2,126 | 1,215 | 2,465 | 1,010 | 2,740 |
| Change.....do..... | +225 | -371 | +199 | -341 | +339 | -205 | +275 |

Sorghum grains: Comparison of supply—Utilization for marketing years 1960-61 through 1963-64

| Item | Market- ing year 1960-61 | Marketing year 1961-62 | | Marketing year 1962-63 | | Marketing year 1963-64 | |
|--|-----------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | | With pro- gram | With- out pro- gram | With pro- gram | With- out pro- gram | With pro- gram | With- out pro- gram |
| Acreage and yield: | | | | | | | |
| Diverted acres (special program) millions..... | 0 | 6.1 | 0 | 5.7 | 0 | 4.9 | 0 |
| Harvested acres.....do..... | 15.6 | 11.0 | 15.5 | 11.5 | 15.5 | 12.4 | 15.5 |
| Yield per harvested acre.....bushels..... | 39.8 | 43.8 | 43.0 | 44.1 | 43.3 | 45.5 | 44.7 |
| Supplies: | | | | | | | |
| Beginning stocks million bushels..... | 581 | 702 | 702 | 661 | 795 | 625 | 875 |
| Production.....do..... | 620 | 480 | 665 | 509 | 670 | 565 | 700 |
| Imports.....do..... | | | | | | | |
| Total.....do..... | 1,201 | 1,182 | 1,367 | 1,170 | 1,465 | 1,190 | 1,575 |
| Utilization: | | | | | | | |
| Domestic.....do..... | 428 | 422 | 473 | 445 | 490 | 515 | 1 500 |
| Exports.....do..... | 71 | 99 | 99 | 100 | 100 | 100 | 100 |
| Total.....do..... | 499 | 521 | 572 | 545 | 590 | 615 | 600 |
| Ending stocks.....do..... | 702 | 661 | 795 | 625 | 875 | 575 | 975 |
| Change in total stocks.....do..... | +121 | -41 | +93 | -36 | +80 | -50 | +100 |
| CCC loans ² and inventories: | | | | | | | |
| Beginning of marketing year.....do..... | 576 | 695 | 695 | 3 663 | 3 797 | 610 | 860 |
| Ending of marketing year.....do..... | 695 | 3 663 | 3 797 | 610 | 860 | 560 | 960 |
| Change.....do..... | +119 | -32 | +102 | -53 | +63 | -50 | +100 |

¹ This utilization may be somewhat low but any increase would be offset by a reduction in corn utilization.

² Excluding early loans, i.e., loans made before the beginning of the marketing year for that crop. If actual early loans are included, CCC holdings at the beginning of the 1960-61, 1961-62, and 1962-63 marketing years are 584,000,000, 717,000,000, and 684,000,000 bushels, respectively.

³ CCC holdings exceed total stocks probably due to lag in recording dispositions by CCC.

Barley: Comparison of supply—Utilization for marketing years 1960-61 through 1963-64

| Item | Market- ing year 1960-61 | Marketing year 1961-62 | | Marketing year 1962-63 | | Marketing year 1963-64 | |
|--|-----------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | | With pro- gram | With- out pro- gram | With pro- gram | With- out pro- gram | With pro- gram | With- out pro- gram |
| Acreage and yield: | | | | | | | |
| Diverted acres (special program) millions..... | 0 | 0 | 0 | 2.5 | 0 | 3.1 | 0 |
| Harvested acres.....do..... | 13.9 | 12.9 | 12.9 | 12.4 | 14.4 | 11.9 | 14.4 |
| Yield per harvested acre.....bushels..... | 30.9 | 30.6 | 30.6 | 30.6 | 34.2 | 32.0 | 31.7 |
| Supplies: | | | | | | | |
| Beginning stocks million bushels..... | 168 | 153 | 153 | 123 | 123 | 125 | 150 |
| Production.....do..... | 431 | 396 | 396 | 429 | 490 | 380 | 460 |
| Imports.....do..... | 15 | 19 | 19 | 8 | 8 | 10 | 10 |
| Total.....do..... | 614 | 568 | 568 | 560 | 621 | 515 | 620 |
| Utilization: | | | | | | | |
| Domestic.....do..... | 375 | 361 | 361 | 360 | 396 | 340 | 405 |
| Exports.....do..... | 86 | 84 | 84 | 75 | 75 | 65 | 65 |
| Total.....do..... | 461 | 445 | 445 | 435 | 471 | 405 | 470 |
| Ending stocks.....do..... | 153 | 123 | 123 | 125 | 150 | 110 | 150 |
| Changes in total stocks.....do..... | -15 | -30 | -30 | +2 | +27 | -15 | 0 |
| CCC loans & inventories: | | | | | | | |
| Beginning of marketing year.....do..... | 104 | 96 | 96 | 50 | 50 | 55 | 80 |
| End of marketing year.....do..... | 96 | 50 | 50 | 55 | 80 | 40 | 60 |
| Change.....do..... | -8 | -46 | -46 | +5 | +30 | -15 | -20 |

Oats: Comparison of supply—Utilization for marketing years 1960-61 through 1963-64

| Item | Marketing year 1960-61 | Marketing year 1961-62 | Marketing year 1962-63 | Marketing year 1963-64 |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| Acreage and yield: | | | | |
| Diverted acres (special program) millions..... | 0 | 0 | 0 | 0 |
| Harvested acres.....do..... | 26.6 | 24.0 | 22.9 | 22.0 |
| Yield per harvested acre.....bushels..... | 43.4 | 42.2 | 45.0 | 43.5 |
| Supplies: | | | | |
| Beginning stocks.....million bushels..... | 267 | 325 | 277 | 275 |
| Production.....do..... | 1,155 | 1,011 | 1,032 | 955 |
| Imports.....do..... | 2 | 1 | 3 | 5 |
| Total.....do..... | 1,424 | 1,337 | 1,312 | 1,235 |
| Utilization: | | | | |
| Domestic.....do..... | 1,070 | 1,039 | 1,010 | 950 |
| Exports.....do..... | 29 | 21 | 27 | 10 |
| Total.....do..... | 1,099 | 1,060 | 1,037 | 960 |
| Ending stocks.....do..... | 325 | 277 | 275 | 275 |
| Change in total stocks.....do..... | +58 | -48 | -2 | ----- |
| CCC loans and inventories: | | | | |
| Beginning of marketing year.....do..... | 36 | 38 | 32 | 35 |
| End of marketing year.....do..... | 38 | 32 | 35 | 25 |
| Change.....do..... | +2 | -6 | +3 | -10 |

Source: USDA, May 4, 1963.

Secretary FREEMAN. May I just add that one of the reasons for the big jump in utilization in that particular period was a bad crop year in Western Europe and a rather sharp increase in production which resettled in increased imports although our exports to Western Europe have been increasing steadily.

Senator HOLLAND. Wouldn't the increase in exports have been reflected in the stocks?

Secretary FREEMAN. Surely.

Senator HOLLAND. We understand that, of course, disappearance from all sources. This is just one of the factors that contributed to the greater disappearance?

Secretary FREEMAN. The Senator is absolutely correct but again, if we can summarize and look at the detailed breakdown, it seems to me on the historic record of increasing utilization and increasing production, with a net result over a period of 8 years of sharply climbing stocks on hand, nothing has occurred to reverse that pattern (which has been sharply reversed) except the feed grain program. Looking at it in broad sweep, I think this is quite compelling. You can break down into dates and carryovers and utilizations and amounts and times and this can get highly intricate.

But basically, for 8 years, while we increased utilization, we increased production and stocks more than utilization, at the same time that prices were sharply dropping. After the feed grain program, this was reversed; the prices were held up and stocks went down and the utilization gains continued.

So I feel very confident of the projection and of the valuation. But I appreciate the detail and the searching inquiry of the Senator from Florida.

Senator HOLLAND. You recognize, do you not, that the whole question between those who think the program has been highly helpful,

of whom you are one, and you may be right, and those who question that fact hinges on this very question?

Secretary FREEMAN. Well, if you say——

Senator HOLLAND. You recognize that?

Secretary FREEMAN. Yes, absolutely. Of course, the only difference is that some use constant production and say there would not have been any increase in production, that suddenly our increase per acre would stop in 1961. That is how they get their figures. But I don't think that that is supported by history and it is certainly valid and essential to a fair valuation to recognize that that increase in production would have continued. And as such, it is a fair and necessary factor in evaluating the success of the program. Excuse me for being repetitious.

Senator HOLLAND. That is all right.

Isn't it correct that by now, you will have the final figures as to production in 1961 and 1962, so that you can show very affirmatively whether this trend in upward production has continued in those 2 years?

Secretary FREEMAN. Yes, sir.

Senator HOLLAND. Well, I don't find that in your statement and I did not find it in the debates in the House, and I think that, too, is a very necessary factor for us to evaluate the usefulness of this program.

Secretary FREEMAN. Well, it has.

Senator HOLLAND. Now, there is one other thing that I would like the statisticians to give us, because I suspect that you are like I am.

I cannot recall all the details of the wheat program which we enacted last year. I supported that program on the floor.

I would like for the statisticians to produce for us the exact method of computation of the wheat program for next year under the existing law and the value to those who will vote on that program on May 21 of knowing what is going to happen to this bill.

It is not clear in my mind just what is the value in the early passage of this bill, which otherwise would not be of any importance for passage at this particular time.

I understand that from your statement, Mr. Secretary, and I understand that from the report of the House committee, the timeliness of the whole approach is based on a factor of helping wheat-growers to know just what they can rely upon.

Am I correct in that?

Secretary FREEMAN. That is correct.

Senator HOLLAND. I think the record should show affirmatively and clearly the basis of the computation of the wheat program under existing law, for 1964, and just how the provisions of this act will affect wheatgrowers in basing their judgment upon their approval or rejection of the 1964 program.

I don't find that anywhere.

I find the statement clearly stated that—both in the House record and in the reports of the House committee—this is necessary and the Secretary has just said that it is necessary so as to give the wheat-growers a clearer picture of just what they can expect. But I cannot recall and I doubt if any member of this committee can recall, with the exception of my distinguished friend from North Dakota, who may be able to, just exactly what are the factors that will now enter

into the statement of a wheat program for 1964 under existing law and just how those factors are affected by something that is in this present bill.

I think we ought to be able to look at a brief statement of that and know just what we are passing on in this bill.

The CHAIRMAN. Well, briefly stated, as I remember it, in order for the wheat program—that is, the diversion part from wheat to corn, in order for that to become effective in the wheat law, you have to have a corn program on the statute books.

Am I correct in that?

Secretary FREEMAN. That is correct.

The CHAIRMAN. And that is the reason. If you don't have a diversion program—

Senator HOLLAND. Does the chairman remember all the details of the wheat program?

The CHAIRMAN. Well, that is the main thing.

Senator HOLLAND. I can't remember.

The CHAIRMAN. I say that is it.

Senator HOLLAND. If the chairman has objection to the furnishing of this statement—

The CHAIRMAN. Oh, no; of course not. Certainly not.

(The information is as follows:)

I. NATIONAL MARKETING QUOTA

A. Need for marketing quota program

The total supply of wheat for the 1964-65 marketing year, if a marketing quota is not proclaimed, is estimated to exceed utilization by some 1,565 million bushels and be about 965 million bushels in excess of a desirable reserve. Since supplies at this level are excessive, it is recommended that the Secretary proclaim a national marketing quota for such year.

B. Size of national marketing quota

Based on total estimated utilization (food, seed, feed, and exports) of 1,225 million bushels, adjusted for imports estimated at 5 million bushels, it is recommended that the Secretary proclaim a national marketing quota of 1,220 million bushels for the 1964 crop of wheat.

II. ACREAGE ALLOTMENTS

A. National allotment

Since the national acreage allotment shall reflect the wheat acreage necessary to provide the national marketing quota, it is recommended that the Secretary proclaim the national acreage allotment of wheat for the 1964 crop to 49.5 million acres. In accordance with the law, it is proposed that such proclamation be issued at the same time the national marketing quota is proclaimed for the 1964 crop.

B. Apportionment of 1964 national acreage allotment of wheat among the several States

It is recommended that the Secretary announce the apportionment of the 1964 national acreage allotment of wheat among the several States, after withholding a reserve of 20,000 acres for apportionment to counties needing additional allot-

ment because of reclamation or other new areas coming into the production of wheat during the preceeding 10-year period. It is proposed that such announcement be made at the same time the national marketing quota and the national acreage allotment for the 1964 crop of wheat is proclaimed.

C. Designation of States in commereial wheat-producing area, 1964-65 marketing year

Since it is considered desirable from the standpoint of effieient and equitable administration of the 1964 production adjustment and marketing certificate program for wheat not to exclude any State from partieipation, it is recommended that the Secretary designate all States in the United States for which an acreage allotment is determined as being in the eommereial wheat-producing area for the 1964-65 marketing year.

TABLE 1.—*Wheat: Determination of need for marketing quota for 1964 crop under provisions of Agricultural Adjustment Act of 1938, as amended*

| <i>Item</i> | | |
|--|-------|------------------------|
| A. Estimated supply for marketing year beginning July 1, 1964, if marketing quota is not proclaimed (prrie support at 75 to 90 percent of parity): | | <i>Million bushels</i> |
| 1. Carryover, July 1, 1964 | ----- | |
| 2. Production ¹ | ----- | 1, 230 |
| 3. Imports | ----- | 1, 600 |
| | ----- | 5 |
| Total supply | ----- | 2, 835 |
| B. Estimated utilization for marketing year beginning July 1, 1964 if marketing quota is not proclaimed: | | |
| 1. Domestic: | | |
| (a) Food | ----- | 500 |
| (b) Seed | ----- | 90 |
| (c) Feed | ----- | 50 |
| 2. Exports | ----- | 630 |
| Total utilization | ----- | 1, 270 |
| C. Amount estimated supply exceeds estimated utilization | ----- | 1, 565 |

¹ Based on estimated planted acreage of 75,000,000 acres, harvested acreage of 70,000,000 acres, and yield of 23 bushels per acre.

TABLE 2.—*Wheat: Determination of national marketing quota for the 1964 crop under the provisions of the Agricultural Adjustment Act of 1938, as amended*

| <i>Item</i> | | |
|---|-------|------------------------|
| A. Estimated utilization for marketing year beginning July 1, 1964: | | <i>Million bushels</i> |
| 1. Domestic human consumption | ----- | |
| 2. Seed | ----- | 500 |
| 3. Feed (1959-60 average) | ----- | 52 |
| 4. Exports | ----- | 43 |
| | ----- | 630 |
| Total | ----- | 1, 225 |
| B. Less for marketing year beginning July 1, 1964: 1. Estimated imports | ----- | 5 |
| C. Caleulated national marketing quota (item A minus item B) | ----- | 1, 220 |

TABLE 3.—*Wheat: Estimated harvested acreage, yield per harvested acre, production, total supply, and carryover with marketing quota program in effect, 1964-65 marketing year*

| | |
|--|--------|
| Acreage (million acres): | |
| Allotment----- | 49. 5 |
| Allotment, adjusted for acreage increase on small farms----- | 52. 3 |
| Allotment acreage not harvested (million acres): | |
| Soil bank----- | 1. 8 |
| Voluntarily diverted----- | 6. 3 |
| Underplanting and abandonment----- | 3. 5 |
| Total----- | 11. 6 |
| Harvested acreage (million acres)----- | 40. 7 |
| Yield (bushels per harvested acre)----- | 26 |
| Supply (million bushels): | |
| Beginning stocks, July 1, 1964----- | 1, 230 |
| Estimated production----- | 1, 060 |
| Imports----- | 5 |
| Total----- | 2, 295 |
| Utilization (million bushels): | |
| Food----- | 500 |
| Seed----- | 52 |
| Feed----- | 48 |
| Exports----- | 630 |
| Total----- | 1, 230 |
| Ending stocks, June 30, 1965 (million bushels)----- | 1, 065 |
| Change in stocks (million bushels)----- | -165 |

TABLE 4.—*Wheat: Estimated land diversion payments for 1964 crop program*

| Item | Type of diversion | | Total |
|--|-------------------|-----------|----------|
| | Mandatory | Voluntary | |
| Acres diverted (million)----- | 5. 5 | 1 6. 3 | 11. 8 |
| Normal production of diverted acres (million bushels) ² ----- | 139. 2 | 159. 4 | 298. 6 |
| Diversion payment rate per bushel ³ ----- | \$0. 60 | \$1. 00 | ----- |
| Total diversion payment (million)----- | \$83. 5 | \$159. 4 | \$242. 9 |

¹ See table 2 below for method of estimation.² Calculated on basis of normal yield of 25.3 bushels.³ Payment rate for mandatory diversion at 30 percent, and voluntary diversion at 50 percent of \$2 per bushel support price.TABLE 5.—*Wheat: Estimated voluntary diversion of 1964 acreage allotment ¹*

| Item | Total allot- ment | Allotment participating | | Percentage of participating allotment diverted | Allot- ment diverted |
|---|----------------------------------|-------------------------|----------------------------------|---|----------------------------------|
| | | Percentage | Acreage | | |
| Participating small farms (allotment 15 acres or less)----- | <i>Million acres</i> 5. 7 | <i>Percent</i> 60 | <i>Million acres</i> 3. 4 | <i>Percent</i> 70 | <i>Million acres</i> 2. 4 |
| Other farms eligible for 15-acre provision (allotment 15 to 48 acres)----- | 7. 7 | 55 | 4 2 | 30 | 1. 3 |
| Other farms eligible (allotments over 48 acres)----- | 34. 9 | 50 | 17. 5 | 15 | 2. 6 |
| Total diverted----- | | | | | 6. 3 |

¹ Excludes estimated 1,300,000 acres on nonparticipating small farms and 1,800,000 acres in soil bank.

TABLE 6.—Wheat: Returns to wheat producers under the 1964 program with comparable data for 1958-62

| Crop | Production (million bushels) | Season aver- age price per bushel | Value to producers (in millions) | | |
|------------------------------------|------------------------------------|---|----------------------------------|-------------------------------|---------|
| | | | Value of production | Land diversion payments | Total |
| 1958----- | 1,457 | \$1.75 | \$2,544 | ----- | \$2,544 |
| 1959----- | 1,121 | 1.76 | 1,975 | ----- | 1,975 |
| 1960----- | 1,357 | 1.74 | 2,365 | ----- | 2,365 |
| 1961----- | 1,235 | 1.83 | 2,261 | ----- | 2,261 |
| 1962 ¹ ----- | 1,092 | 2.02 | 2,205 | \$290 | 2,495 |
| 1964, estimated ² ----- | 1,060 | 2.05-1.35 | 2,078 | 243 | 2,321 |

¹ Preliminary.² Based on 49,500,000 acre allotment, support price of \$2 per bushel on 925,000,000 bushels, farm marketing allocation, \$1.30 per bushel on 135,000,000 bushels, noncertificate, 30-percent payment rate on 5,500,000 acre mandatory diversion, and 50-percent payment rate on 6,300,000 acres voluntarily diverted.

TABLE 7.—Wheat: Estimate of total farm allocations on the basis of an allocation percentage of 80

| | Million acres |
|--|------------------|
| National allotment----- | 49.5 |
| Estimated adjustment for small farms----- | 2.8 |
| Total allotment----- | 52.3 |
| Allotment not eligible for marketing allocation: | |
| (a) Nonparticipating small farms----- | 2.2 |
| (b) Participating small farms diverting entire allotment----- | 1.8 |
| (c) Whole farms in soil bank----- | 1.4 |
| (d) Underplanting (less than 80 percent of allotment) or otherwise ineligible (noncompliance with allotment and/or land use provisions)----- | .9 |
| Total----- | 6.3 |
| Allotment eligible for farm allocation----- | 46.0 |
| Estimate of total farm allocations (46.0 by 25.2 bushels, normal yield on participating farms by 80 percent)----- million bushels-- | 925 |

WHY PASSAGE OF H.R. 4997 IS NECESSARY BEFORE THE WHEAT REFERENDUM

Passage of this feed grains bill will complete the overall grain program which Congress partially approved in the passage of the long-range wheat program as part of the Agriculture Act of 1962.

One of the key provisions in the 1962 wheat legislation is the authority, at the discretion of the Secretary, for producers to grow wheat on feed grain acreages, and feed grains on wheat acreages, in the interest of efficient and flexible farming operations. This provision in the wheat program is limited to years in which a feed grains diversion program is in effect. The Secretary has indicated that if there is a feed grains program for 1964 he would utilize the authority thus provided.

This provision is vital to hundreds of thousands of wheat and feed grain producers, many of whom have traditionally produced only wheat or only feed grains. These farmers, under past acreage allotment programs, have taken acreage from their traditional crops and planted it to either wheat or feed grains. In many cases, this was neither efficient nor desirable from a long-range farm management standpoint. For example, a typical farmer in the Pacific Northwest, as his wheat acreage allotment was reduced to a level corresponding to the 55 million acre national allotments began to produce barley, oats, or rye on the acreage which formerly had been devoted to wheat. Similar situations existed in the Southern Plains area where farmers planted grain sorghum on acres formerly devoted to wheat.

Also, many Corn Belt farmers began to use the 15-acre provision provided in the wheat program when they participated in the old corn acreage allotment program.

H.R. 4997, together with the Agriculture Act of 1962, makes this substitution clause fully operative. Farmers will be able to decide whether to revert to traditional production patterns or to continue the crops grown in recent years. This is a most significant step forward in adapting farm programs to the individual farmer's operation of his own farm.

Contrary to some statements, this provision will not adversely affect either the wheat or feed grains acres. The producer who decides to use the substitution clause, must, of course, comply with the provisions of both programs by devoting to conservation uses that portion of his land formerly devoted to either wheat or feed grains. Any wheat grown on feed grain acres will be in place of, not in addition to, feed grains normally grown. Thus, the overall production of both wheat and feed grains will be correspondingly reduced.

Under the provisions of the wheat program enacted last year, farmers will vote on May 21 to decide which of the alternatives provided in the legislation shall be effective for the 1964 crop of wheat. This is a most important decision for grain producers. In order that farmers may make the best possible decision, they must have all of the available facts concerning the alternatives. Since one of the key questions in that referendum is the substitution clause, prompt action by Congress will be a major step in assuring that producers have all of the available information and know what the program alternatives will be for both feed grains and wheat prior to casting their vote in the wheat referendum of May 21.

In summary, passage of H.R. 4997 will give the wheat and feed grains producer new freedom and flexibility in the management and operation of his own farm. It will enable him to substitute acre for acre between feed grains and wheat whenever he finds that by doing so he will increase the efficiency and effectiveness of his own personal farming operation. Since this feed grains program is complementary to and interrelated to the wheat program enacted by Congress last year, prompt action on this feed grains measure is urgently needed so that wheat producers will have all of the available information in making their decision in the referendum on the 1964 wheat program on May 21, 1963.

Senator AIKEN. Will the Senator yield for a short question?

The CHAIRMAN. Senator Young has a question.

Senator AIKEN. I am asking him to yield.

Senator HOLLAND. I will yield to him.

The CHAIRMAN. Off the record.

(Discussion off the record.)

Senator AIKEN. Very well, I yield on the question, although it was pertinent to the last remark.

Senator HOLLAND. I would like to know, if it is a pertinent question and a brief one, I would be glad to have it asked.

Senator AIKEN. The Senator raised a question of voting in the wheat referendum. As I understand it, if a man and a wife own land together, each has a vote in the wheat referendum. If a corporation owns it, does each stockholder have a vote, does each director have a vote, or does the corporation have just one vote?

Secretary FREEMAN. Frankly, I don't know all the details. I would be happy to submit it in the record. It has been a standing regulation.

We will be happy to submit it for the record.

(The information is as follows:)

VOTING ELIGIBILITY

Producers who have an interest in a 1964 farm wheat acreage allotment are eligible to vote in the 1964 wheat marketing quota referendum. However, if the allotment is less than 15 acres, the operator must elect by May 13 to participate as an allotment grower in 1964 if he and other producers on the farm wish to vote in the referendum. This election is made by signing in the space provided on the back of the regular allotment notice, MQ-24, for the farm or on another copy of the form provided by the county ASC office.

A person can cast only one ballot in the referendum regardless of the number of wheat farms in which he is interested except:

1. Individual members of a partnership shall each have a vote, the partnership as such shall not have a vote. (An individual member of a qualified

partnership who also has an individual interest in another farm is not entitled to more than one vote.)

2. A person may also vote as the representative of an organization, such as a corporation. (Such an organization is entitled to only one vote.)

3. A person may also vote as the administrator or executor of an estate, or as a trustee or guardian, but the persons whom he represents are not eligible.

Producers who have an interest in an allotment include:

1. Landowners who receive all or a share of the wheat crop or proceeds thereof. Landowners who rent their land to a tenant for cash are not eligible. In the event land is owned jointly by two or more persons, the following will apply:

(a) In the States of Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, and Washington, which have community property statutes, owners of community property (both husband and wife) are eligible to vote if the allotment is on community property.

(b) In all States, joint owners (both names on the deed) are eligible to vote if the allotment is on the jointly owned property.

2. Tenants or sharecroppers having an interest in the farm acreage allotment because of sharing in the wheat crop or proceeds thereof. Producers who lease land as joint tenants (both names on the lease) are each eligible to vote.

Examples:

(a) Husband and wife both sign written lease to operate farm—both are eligible to vote.

(b) Only the husband signs written lease to operate farm—only the husband will be eligible to vote.

(c) Husband and wife lease the farm on a verbal lease with the owner, and the referendum committee determines that both are responsible for carrying out the tenant obligations under the lease—both can vote.

Senator AIKEN. I am happy to yield it back.

The CHAIRMAN. The Senator from North Dakota may proceed.

Senator YOUNG. If this feed grain bill does not pass, at what price in dollars and cents would you have to set corn price supports next year?

Secretary FREEMAN. Under the law it would be close to 50 percent of parity—about 80 cents per bushel.

Senator YOUNG. For corn?

Secretary FREEMAN. Yes, sir.

Senator YOUNG. What is the present support price for corn?

Secretary FREEMAN. \$1.25.

Senator YOUNG. This drastic drop in price support would certainly be accompanied by an almost equal drop in cash prices for corn, wouldn't it?

Secretary FREEMAN. Yes, sir.

Senator YOUNG. Wouldn't this mean a great increase in cattle and hog feeding?

Secretary FREEMAN. Yes; it would.

Senator YOUNG. More meat would mean cheaper prices for the producers, more trouble?

Secretary FREEMAN. It would mean, I think, a very sharp drop in the related markets of products that consume feed grain.

Senator YOUNG. Your predecessor, Secretary Benson, recognized this when he made available price supports for noncompliance corn 2 years in a row. He stated at the time, he was doing it because cheap feed grain would mean overproduction of meats and trouble for them.

Well, now, in case a no-vote prevails in this referendum the price support for wheat would be at 50 percent of parity, or \$1.25 a bushel, and that only to those who comply with acreage allotments.

Secretary FREEMAN. Yes, sir.

Senator YOUNG. Do you know of any old law you can dust off like Secretary Benson did that could be used to establish a price support for noncompliers?

Secretary FREEMAN. No, sir.

Senator YOUNG. The price support would go to that level, then?

Secretary FREEMAN. Yes, sir.

Senator YOUNG. Just one more question: Has anything happened to your retirement program which would take the place of the soil bank?

Secretary FREEMAN. We have been working on it very hard. The Senator asked me about that before the Appropriations Committee. There is a meeting scheduled for this afternoon with the Bureau of the Budget. It is a longtime program as you know, and we have been working over the final details, we are very anxious to get that out and up here as quick as we can.

Senator YOUNG. Just one more question: In my State, the vote seems to hinge mostly on whether Congress would write a new and better program if a no-vote prevails. A great many farmers have been convinced that Congress will immediately write a better program.

Do you have any other program in mind if you—

Secretary FREEMAN. No, sir.

Senator YOUNG. I am wondering, if any members of this committee have a new program in mind, it would be very helpful to the wheat producers if they would state what this program is and particularly what dollars and cents price-support level it would embody.

I know of no such program. Maybe someone has one in mind, but if they have, I think it would be very helpful to wheat producers all over the United States to know exactly what kind of program it is.

Secretary FREEMAN. It is my understanding, Senator, that when the Congress passed the Food and Agriculture Act of 1962, it very clearly stated that we would see what the farmers wanted, that the Congress provided for a further referendum for the 1965 crop, if there should be a negative result this time, and that it further provided for an interim program during that period which the Senator has just described, and that as such, this question was literally decided by the Congress when the Food and Agriculture Act was passed in 1962. The Congress can, of course, always change its mind. But as far as the Secretary of Agriculture is concerned, it was passed on that basis and I feel that that was Congress' purpose and intent and I would feel bound to comply with the intent of Congress, as so expressed.

Senator YOUNG. The only precedent I know of that we have—correct me if I am wrong—is that in tobacco, the producers disapproved a tobacco quota one year, Congress did nothing and they approved it in succeeding years.

That is all.

The CHAIRMAN. Senator Talmadge?

Senator TALMADGE. Mr. Secretary, as I understand it, this would extend the feed grain program in substantially its present form for the years 1964 and 1965, is that correct?

Secretary FREEMAN. Yes, sir.

Senator TALMADGE. Also, I believe this bill makes it optional as to whether you would put in effect a diversion program, whereas the present law makes it mandatory. Is that correct?

Secretary FREEMAN. Yes, sir.

Senator TALMADGE. The bill, I believe, also amended the act to enable farmers if they so desired, who produced oats or rye to get diversion payments if they see fit to reduce their acreage.

Is that correct?

Secretary FREEMAN. If they wished to make a substitution with wheat, they would be permitted to do so based upon their production of oats and rye. But it was under those circumstances that it was so expanded.

It did not bring those in otherwise.

Senator TALMADGE. Explain that in detail. Suppose a man had 50 acres of oats and he wanted to divert it, how could he divert it to wheat?

Secretary FREEMAN. He could then come under the program and could plant the 50 acres minus the acres which would be diverted to conservation uses, to wheat and still comply with the program.

Senator TALMADGE. Would he have any price support for his wheat at that point?

Secretary FREEMAN. He would have the \$1.30 price support, feed grain value.

Senator TALMADGE. Now, Senator Holland got into that a moment ago. And I intended to get into that area. Exactly what is the relationship between the wheat program and the feed grain program? Is it based on the assumption that someone who produces feed grains can plant any one of the feed grains that he sees fit—to wit, wheat, or corn or sorghum or something of that nature, and can alternate and use his discretion as to which he wants to plant?

Secretary FREEMAN. Yes, sir, that is correct.

Senator TALMADGE. And receive price support on the particular commodity that he plants in its relationship to corn; is that it?

Secretary FREEMAN. That is correct.

Senator TALMADGE. In other words, anyone who wanted to in the United States who is now producing corn could produce an equivalent acreage of wheat if he so desired?

Secretary FREEMAN. That is correct.

Senator TALMADGE. And then receive \$1.30 price support for that particular wheat?

Secretary FREEMAN. Yes, sir.

Senator TALMADGE. Is it also true that anyone now producing wheat could produce a similar acreage of corn if he saw fit anywhere in the United States?

Secretary FREEMAN. Yes, sir.

Senator TALMADGE. And receive price support of \$1.25 for his corn?

Secretary FREEMAN. Yes, sir, that is the way it is now.

Senator TALMADGE. Would it change if this feed grain bill is extended?

Secretary FREEMAN. The bill provides the discretion in the Secretary to establish a price support for corn, which presently has been established at \$1.25.

It would run from 65 to 90 percent of parity, and that decision I would expect to make, as others, in terms of the circumstances at the time that the decision was made.

Senator TALMADGE. Well, would the extension of this Feed Grain Act change in any way a farmer's privilege to plant one of the feed grain crops that he saw fit?

Secretary FREEMAN. No, sir.

Senator TALMADGE. That is true now under the existing law and would be also true if we approved this bill?

Secretary FREEMAN. Yes, sir.

Senator TALMADGE. In other words, he can plant whatever feed grain he sees fit and receive the price-support equivalent depending on its relationship to price support of corn.

Secretary FREEMAN. Yes, sir, subject to his diverting the required acres to conservation uses.

Senator TALMADGE. Now, I believe this limits the diversion to 50 percent of his base, or 25 acres.

Which is that? I mean, suppose he plants 100 acres, now. How much could he divert? Would it be 25 acres or 50 acres?

Secretary FREEMAN. He could divert up to 50 acres. If he had up to 25 acres base he could take the whole thing out.

That is the purpose of the whole thing.

Senator TALMADGE. In other words, he can divert 50 percent of his base, regardless of what his base may be?

Secretary FREEMAN. Yes, sir, under the bill.

Senator TALMADGE. And I believe there is a difference in payment rates, 20 percent up to a point of 30 percent, is that it?

Secretary FREEMAN. Right.

Senator TALMADGE. Give us the details on that.

Secretary FREEMAN. For 1963 it is 20 percent for the first 20-percent diversion and 50 percent for the remainder up to 40 percent. It is up to 50 percent in the bill before this committee.

Senator TALMADGE. That would be payment in cash or kind?

Secretary FREEMAN. Payment in kind.

Senator TALMADGE. Purely that?

Secretary FREEMAN. Yes, sir.

Senator TALMADGE. And I believe heretofore, the payments have been limited in kind with a negotiable certificate that the farmer could sell and get cash if he saw fit?

Secretary FREEMAN. Yes, sir, and we would follow the same practice.

Senator TALMADGE. I have no further questions, Mr. Chairman.

The CHAIRMAN. Senator Hickenlooper?

Senator HICKENLOOPER. At the outset, Mr. Secretary, I have been interested in the general statements that have been made here by you and the connotations that have resulted from the answers that this is substantially the law that is already on the books.

I notice in examining the analysis by the staff of this committee that there are eight typewritten pages setting out substantial differences between this bill and the law that is on the books, which does not seem to me to be compatible with the statement that it is a practically identical bill and we are only renewing the legislation that is on the books.

Now, these differences are set out by the staff study, in an analysis of section 3 of the bill. Some of the differences seem to be quite material. I don't intend to go through these one by one at this time, but I think these differences should be placed in the record in connection with this discussion. The differences start with the discussion of section 3 of page 7, where it says section 3. There are eight pages of differences.

Secretary FREEMAN. Senator, if I misled anybody by saying there were not any changes, I would like for the record to say that there are several changes, but I would consider these minor. The bill is in essence and in concept exactly as before, with these nominal adjustments.

Senator HICENLOPPER. Then let's look at it. For instance, on page 7 of the staff study, which I hope you have before you, there, in (1) under section 3, discussion, it points out that whereas in the act in existence now, the Secretary was directed to carry out the program.

Under the present proposal, this present bill, it only authorizes him to carry out the 1964 and 1965 programs only if the feed grain supply would otherwise be excessive, sets a discretionary power in his hands which is different from the existing law.

The 1963 program, which is the bill we are operating under at the present time—not the bill we are considering—is shown to apply to corn, grain sorghums and barley, while the bill we are considering now includes in addition oats and rye if the producer so requests for the purpose of having the acreage devoted to the production of wheat considered as devoted to the production of feed grains and so on.

The study further states that the inclusion of oats and rye would not affect the acreage of corn, sorghum, or barley required to be diverted.

(3) In this study points out that the diversion payments under the 1963 program, or the existing program, were based on the 1962 basic county support rate adjusted to reflect the 1962 and 1963 national support rate and the adjusted average yields for 1959 and 1960. And so on.

It further says that under the bill we are considering, diversion payments are based on the estimated basic county support rate, and the adjusted average yield of 1959 through 1962, inclusive, in the case of the 1964 program and 1959 through 1963, inclusive, in the case of the 1965 program.

And no special adjustment is provided with respect to irrigation systems.

Now, I ask, Mr. Chairman, that this staff study, including these eight pages, of course, of differences in the bill that we are considering now from the bill which is presently the law, or the law as it is presently operating, be included in the record.

The CHAIRMAN. Without objection, so ordered.

(The document referred to is as follows:)

SENATE COMMITTEE ON AGRICULTURE AND FORESTRY

EXPLANATION OF H.R. 4997 AS PASSED BY THE HOUSE

SHORT EXPLANATION

The House passed H.R. 4997 as it was reported by the House Committee on Agriculture, except for three additional amendments, which are described in paragraphs (7), (8), and (10) of the explanation of section 3 in the section-by-section analysis contained herein.

The bill provides for 1964 and 1965 feed grain programs similar to the 1963 program. The Secretary's authority with respect to the price-support level would be subject to an upper limit, which was not the case in 1963; and the amount of support made in the form of payments would be determined by the Secretary, rather than being specified in the law. Diversion programs would be authorized only if the supply would otherwise be excessive; and, with one exception, the price-support changes made by the bill would be effective only if a diversion program were in effect. The exception is that the Secretary could require that the farm keep within its base acreage as a condition of eligibility for price

support. (The corn-support level would be between 50 and 90 percent of parity in accordance with the provisions added last year if no diversion program were in effect.)

The differences between the 1963 diversion program and those authorized by the bill are enumerated in the explanation of section 3 herein.

In general, the bill provides with respect to the 1964 and 1965 crops for—

(1) Price support for corn at 65 to 90 percent of parity (and comparable levels for grain sorghums, barley, oats, and rye) if a feed grain diversion program is in effect;¹

(2) Conditioning eligibility for feed grain price support on participation in an acreage diversion program (with authority for a malting barley exemption from this requirement), or, at the Secretary's discretion, on keeping within the farm base acreage if there is no diversion program;

(3) Use of payments in kind as a method of feed grain price support if an acreage diversion program is in effect (with authority to make up to 50 percent of any such payment in advance of determination of performance);

(4) A minimum feed grain value for redemption purposes equal to the current support price (minus that part made available through payments), plus reasonable carrying charges; and

(5) Feed grain diversion programs if the supply would otherwise be excessive. Payments in kind could be made under such programs at rates up to 50 percent of the support price multiplied by the normal production of the acreage diverted for diverting up to 50 percent of the farm feed grain base (or 25 acres, if greater) to conservation uses. The program would cover (i) corn, grain sorghums, and barley; (ii) oats and rye where requested by the producer for purposes of having wheat acreage considered as feed grain acreage; and (iii) wheat to the extent of the excess of the farm's 1959, 1960, and 1961 average acreage of wheat produced under the so-called feed wheat exemption over the farm's small farm base acreage for wheat. Provision is made for adjusting base acreages in any State or county and for up to a 1-percent State reserve for farms with no base period history. Farms receiving apportionments from such reserve would not be entitled to diversion payments for the first year for which feed grain bases are established for them.

SECTION BY SECTION ANALYSIS

Section 1: Short title: "Feed Grain Act of 1963."

Section 2: 1964 and 1965 crop feed grain price support: Section 2 changes the price support criteria and increases the minimum support level for corn of the 1964 and 1965 crops to 65 percent of parity (from 50 percent) if a feed grain diversion program is in effect; and in such event permits a portion of the support price for any feed grain to be made available through payments. For the 1964 and 1965 crops feed grain price support would be conditioned on participation in the feed grain diversion program to the extent required by the Secretary, if there were a diversion program; and could be conditioned on not exceeding the feed grain base, if there were no diversion program.

Section 2(1) provides that the price support level for any crop of corn for which a feed grain acreage diversion program is in effect shall be at such level from 65 to 90 percent of parity as the Secretary determines necessary to achieve the acreage reduction goal for the crop. The existing law applicable to 1964 and subsequent crops, section 105(a) of the Agricultural Act of 1949, provides for corn support at such level from 50 to 90 percent of parity as will not result in increasing Commodity Credit Corporation stocks of corn, and this provision would continue to apply when feed grain diversion programs are not in effect. (The bill provides for diversion programs only for 1964 and 1965, and then only if the Secretary determines that the total supply of feed grains would be excessive in the absence of such a program.) The price support level for 1963, which would not be changed by the bill, was required by section 105(c) of the 1949 act to be fixed at not less than 65 percent of parity; and it has been fixed at \$1.25 per bushel, which is 78 percent of the parity price for December 1962.

Section 105(b) of the 1949 act requires price support for oats, rye, barley, and grain sorghums at a fair level in relation to corn and certain other factors set out in section 401(b) of the 1949 act. By providing for higher support for corn when a diversion program is in effect, section 2(1) of the bill also provides for higher support levels for the other feed grains.

¹ By its terms this provision is applicable to subsequent crops if a feed grain diversion program is in effect. The bill provides for diversion programs only for 1964 and 1965.

Section 2(2) conditions price support for the 1964 and 1965 crop of any feed grain included in an acreage diversion program (corn, sorghums, barley, and in some cases upon the producer's request, oats, and rye) upon participation in the program to the extent required by the Secretary. If no diversion program is in effect for the 1964 or 1965 crop, price support for such crop of feed grains (corn, sorghum, barley, oats, and rye) may be conditioned on not exceeding the feed grain base. (The Secretary could require this, in any event, under section 401(c) of the Agricultural Act of 1949, except in the case of corn for which allotments are prohibited by section 330 of the Agricultural Adjustment Act of 1938.) The Secretary may make such portion of the support price for any feed grain included in a 1964 or 1965 diversion program available through payments in kind as he deems desirable to assure that the benefits of the price support and diversion programs inure primarily to participants in the diversion program. Section 105(c) of the 1949 act required that 18 cents of the 1963 support price for corn and comparable portions of the 1963 support prices for sorghums and barley be made available through payments in kind. The Department has indicated that 10 or 15 cents per bushel for corn may be a more appropriate amount under the bill, at least for 1964. No payments are currently authorized for rye or oats. Under the bill they conceivably could be authorized for those crops when included in the program at producers' requests.

The price support payments would be handled like those provided in the 1963 program, except that (1) the adjusted average yield used in computing them would cover a longer and more current period and would not be subject to adjustment on account of irrigation changes since 1959-60; (2) 50 percent of the payments could be made in advance of performance; and (3) reasonable carrying charges would be added to the loan value in fixing minimum feed grain redemption values for payment-in-kind certificates. (As a practical matter, the Department has been administratively committed to including carrying charges in the minimum redemption value in 1963.) The adjusted average yield used in computing price support payments would be the same as that used in computing diversion payments. The provision for 50-percent payment in advance is similar to that for advance payment under the diversion program. Payment-in-kind certificates issued under this section and under the diversion program would be redeemed by Commodity Credit Corporation for feed grains valued at not less than the current support price minus that part of the current support price made available through payments in kind, plus reasonable carrying charges. The Secretary would have essentially the same authority as in 1963 to exempt producers of malting barley from participation in the 1964 and 1965 feed grain diversion programs as a requirement for eligibility for price support, except that an additional condition of such an exemption would be that the producer did not devote oats and rye acreage to wheat pursuant to section 328 of the Food and Agriculture Act of 1962. This would prevent him from taking advantage of the program to plant more wheat and at the same time taking advantage of the exemption to plant more barley. The Secretary did not use this authority in 1963 to permit exemptions for malting barley producers. The exemption authority under the bill would be applicable only if there were an acreage diversion program. It would not provide for an exemption from the requirement to keep within the producer's feed grain base which might be imposed if there should be no diversion program.

As in the 1963 program (1) price support payments would be based on the number of bushels obtained by multiplying the actual acreage planted for harvest by the adjusted average yield per acre; (2) the Commodity Credit Corporation is authorized to assist producers in marketing their certificates; (3) reasonable costs of storage and other carrying charges are to be deducted from the value of certificates not presented for redemption within 30 days after issuance; (4) certificates are to be shared by the producers on the farm on the basis of their shares in the crop, or the proceeds therefrom; and (5) producers must forfeit price support if they do not actually divert whatever number of acres they agree to divert.

Section 3: 1964 and 1965 crop feed grain diversion programs: Section 3 authorizes voluntary feed grain diversion programs similar to the 1963 program, but differing from that program in the following respects:

(1) The Secretary was directed to carry out the 1963 program, whereas the bill authorizes 1964 and 1965 programs only if the feed grain supply would otherwise be excessive;

(2) The 1963 program applied to corn, grain sorghums, and barley, while the bill includes, in addition, oats and rye if the producer so requests for

purposes of having acreage devoted to the production of wheat considered as devoted to the production of feed grains pursuant to section 328 of the Food and Agriculture Act of 1962. Inclusion of oats and rye would not affect the acreage of corn, sorghums, or barley required to be diverted as a condition of price support;

(3) Diversion payments under the 1963 program were based on the 1962 basic county support rate adjusted to reflect the difference between the 1962 and 1963 national support rate and the farm's adjusted average yield for 1959 and 1960. A special adjustment was authorized to reflect increased yield since 1959 and 1960 resulting from the improvement or adoption of an irrigation system in certain cases. Under the bill diversion payments are based on the estimated basic county support rate and the adjusted average yield for 1959-62, inclusive, in the case of the 1964 program, and 1959-63 inclusive, in the case of the 1965 program. No special adjustment is provided with respect to irrigation systems;

(4) The 1963 authorizing legislation provided for (i) payments in cash or kind on an acreage equal to 20 percent of the base acreage (and this provision is frequently construed as fixing the minimum participation in the program), and (ii) payments in kind only on up to an additional 30 percent. The Secretary has elected to make all payments under the 1963 program in kind. (The producer actually receives cash if he so desires, since the Commodity Credit Corporation will advance him the full face value of his payment-in-kind certificate and market his certificate for him.) The bill provides that all payments shall be in kind;

(5) The bill adds mustard seed to the crops which the Secretary may permit to be planted on the diverted acreage subject to a reduction in the diversion payment;

(6) The bill provides that the average acreage of wheat produced on the farm during the crop years 1959, 1960, and 1961, for use on the farm pursuant to the exemption provided by section 335(f) of the Agricultural Adjustment Act of 1938 (prior to amendment of sec. 335 by the Food and Agriculture Act of 1962) in excess of the small farm base acreage for wheat shall be considered as an acreage of feed grains produced in 1959 and 1960 for purposes of establishing the feed grain acreage for the farm, and a fair and reasonable payment rate shall be determined for the diversion of such acreage. The crop years 1959, 1960, and 1961 are understood to mean the years in which the 1959, 1960, and 1961 crops were produced. No similar provision was contained in the 1963 program, since the feed wheat exemption provided by section 335(f) is effective through the 1963 crop of wheat;

(7) The bill authorizes the Secretary, upon unanimous request of the State committee, to adjust farm feed grain bases within any county or within the State to the extent necessary to establish fair and equitable bases. This provision was added by an amendment offered by Congressman Smith on the House floor and is not comparable to any provision of the 1963 program.

(8) The bill limits the amount of feed grain price support and diversion payments for any acre involved to not more than 20 percent of the fair market price of such acre. This was added on the floor of the House by an amendment offered by Congressman Michel and is not like any provision of the 1963 program.

(9) The bill provides that up to 1 percent of the estimated total feed grain bases in any State for any year may be deducted from the farm feed grain bases and apportioned to farms on which no acreages were devoted to feed grains on the basis of specified factors and such other factors as the Secretary deems appropriate. Farms receiving such apportionments would not be eligible for conservation payments for the first year for which apportionment is made. The 1963 program contained no similar provision;

(10) By an amendment offered on the floor of the House by Congressman Michel, the following language, which was included in the law covering the 1963 program, and in H.R. 4997 as reported by the House Committee on Agriculture, was deleted from the bill:

"Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1964, and to pay such costs as may be incurred in carrying out paragraph (4) of this subsection."

The deletion of this language has the effect of requiring that an appropriation for administrative expenses of the Secretary be obtained before the

program can be promulgated. Other provisions which remain in the bill, not affected by the amendment, authorize the Secretary to use Commodity Credit Corporation to finance the program costs by redeeming certificates and assisting producers in the marketing thereof, but the change will mean that the Department will have to obtain an appropriation covering administrative expenses of the Secretary before it can proceed with the program.

(11) Under the law applicable to the 1963 program the value of feed grains delivered by Commodity Credit Corporation in redemption of payment-in-kind certificates was not required to include an allowance for carrying charges. (However, the Department administratively committed itself to include such an allowance.) The bill provides that in the case of diversion, payment-in-kind certificates, as well as in the case of price support payment-in-kind certificates, the feed grains shall be valued at not less than the current support price, minus that part of the current support price made available through payments in kind, plus reasonable carrying charges.

(12) The law applicable to the 1963 program authorized the Secretary to limit participation in the program in the event of emergency or a threatened shortage. The bill does not contain such a provision, but authorizes the Secretary, by mutual agreement with the producer, to terminate or modify any agreement if necessary because of such an emergency or threatened shortage. The 1963 provision is not considered needed in the bill since the Secretary is not required to promulgate programs in 1964 or 1965 as he was for 1963. The new provision would take care of emergencies arising after the program has been made effective.

Section 3 of the bill adds a new section 16(h) to the Soil Conservation and Domestic Allotment Act to provide that for the 1964 and 1965 crops, the Secretary may, if he determines that the total supply of feed grains will likely be excessive in the absence of an acreage diversion program, formulate a feed grain program under which payments shall be made to producers who divert acreage from the production of feed grains to an approved conservation use and increase their average acreage devoted in 1959 and 1960 to designated soil-conserving crops or practices, including summer fallow and idle land, by an equal amount. Such payments shall be made in kind in an amount not in excess of 50 percent of the estimated basic county support rate, including that part of the support price made available through payments-in-kind, multiplied by the normal production of the acreage diverted from the commodity based on its adjusted average yield per acre. The basic period for the purpose of determining the adjusted average yield for payments for the 1964 crop shall be the 4-year period 1959-62 and for payments for the 1965 crop shall be the 5-year period 1959-63.

The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, and flax, when such crops are not in surplus supply, subject to the condition that no price support shall be made available for the production of such crop and payment for such acreage shall be at a rate determined by the Secretary to be fair and reasonable not to exceed one-half the regular rate.

The term "feed grains" under the new section 16(h) means corn, grain sorghums, and barley. The term "feed grains" also includes oats and rye if the producers on a wheat farm so request for the purpose of having acreage devoted to the production of wheat considered as devoted to the production of feed grains pursuant to section 328 of the Food and Agriculture Act of 1962. However, permitted acreages of oats and rye under the diversion program may not be planted to corn, grain sorghums, and barley.

The acreage eligible for participation in the program shall be such acreage as the Secretary determines necessary to achieve the acreage reduction goal for the crop but not in excess of 50 percent of the average acreage on the farm devoted to feed grains in 1959 and 1960 or 25 acres, whichever is greater.

The average acreage of wheat produced on the farm in 1959, 1960, and 1961, pursuant to the exemption in section 335(f) of the Agricultural Adjustment Act of 1938 prior to amendment of section 335 by the Food and Agriculture Act of 1962, in excess of the small farm base for wheat established under section 335, as so amended, will be considered as an acreage of feed grains for purposes of establishing the feed grain base and the rate of payment for diverting such acreage shall be established in a fair and reasonable amount in relation to the rates of payment for diverting feed grains.

The bill contains authority allowing the Secretary to provide that malting barley producers can plant 110 percent of their 1959-60 barley acres to an acceptable variety of malting barley and still participate in the program for corn and grain sorghums.

Not to exceed 1 percent of the estimated total feed grain bases for all farms in the State for any year may be reserved for apportionment to farms with no 1959 and 1960 history on the basis of specified criteria and such other factors as may be appropriate. Farms on which feed grain bases are established from this reserve shall be ineligible for diversion payments for the first year the base is established.

The Secretary may make adjustments in acreages and yields as he determines necessary to correct for abnormal factors affecting production and to give due consideration to tillable acreage, crop-rotation practices, type of soil, soil and water conservation measures, and topography. If the producer proves the actual acreages and yields for the farm, such acreages and yields shall be used in making determinations. Upon unanimous request of the State committee, the Secretary may adjust farm feed grain bases in any State or county to the extent necessary to establish fair and equitable feed grain bases for farms in such State or county. The sponsor of this provision, Congressman Smith of Iowa, stated that it would not increase the total base acreage, or the base acreage for the State, but would provide authority to adjust acreages between farmers.

The Secretary may make not to exceed 50 percent of any payments to producers in advance of determination of performance. The diversion and price support payments made in 1964 or 1965 with respect to any acre of land could not exceed 20 percent of the fair market value of such acre. It should be noted that price support payments are made with respect to planted acres and diversion payments are made on diverted acres, so that there would not be both types of payments on the same acre. In other words, price support payments would be limited to not more than 20 percent of the fair market value of the acreage on which feed grains are produced, and diversion payments would be limited to not more than 20 percent of the fair market value of the acreage diverted.

Payments are to be shared among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

The bill provides that payments in kind are to be made through the issuance of negotiable certificates redeemable by the Commodity Credit Corporation for feed grains. Commodity Credit Corporation will assist the producer in the marketing of such certificates. Feed grains with which Commodity Credit Corporation redeems the negotiable certificates shall be valued at not less than the current support price minus that part of the current support price made available through payments in kind, plus reasonable carrying charges. If a certificate is not presented for redemption within 30 days of its issuance, reasonable costs of storage and other carrying charges may be deducted from the value of the certificate.

Under the terms of the bill, the Secretary could, by mutual agreement with the producer, modify, or terminate any agreement previously entered into if he determines such action is necessary because of an emergency created by drought or other disaster to alleviate a shortage in the supply of feed grains.

Section 4: Correction of errors: Section 4 extends to the diversion program provided for by the bill the same authority to correct errors as the Secretary already has with respect to the 1961, 1962, and 1963 feed grain programs and the 1962, 1963, and 1964 and subsequent wheat programs. That authority is to accept as meeting program requirements performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary, and to make payment therefor as necessary to provide fair and equitable treatment. This would, for instance, permit payment to a producer on the basis of an erroneous yield established for his farm by the county committee, if he, in good faith, relied on such erroneous yield in diverting acreage pursuant to his agreement.

Senator HICKENLOOPER. At the moment, I will not pursue those particular differences further, but there are some substantial differences and I think those differences, Mr. Secretary, will go to the orientation and posture of this legislation very importantly.

So that it would seem to me that there are some very important differences indeed.

Now, so far as the feed grain program of this year is concerned, we are operating under the existing law for this year. Isn't that the case?

Secretary FREEMAN. Yes, sir.

Senator HICKENLOOPER. Now, is it essential for the feed grain program of next year that this bill which we are considering be passed right now?

Secretary FREEMAN. Yes, sir.

Senator HICKENLOOPER. You think it is an emergency now, do you?

Secretary FREEMAN. I think it is essential.

Senator HICKENLOOPER. Could not it go into effect just as well if this bill were passed in August or September?

Secretary FREEMAN. The effect of the bill as it relates to the judgment that will be made by wheat farmers, and this would be many producing feed grains, will of course be out of the picture if it is not passed prior to the wheat referendum.

Further, it is——

Senator HICKENLOOPER. But how will the question—the question of the passage of the wheat referendum is a question of the farmers' analysis at the present time, isn't it, in a vote which is coming up this month?

Secretary FREEMAN. But the existence of the feed grain bill for next year when that will go into effect will be an important factor and one that I strongly feel the wheat farmer is entitled to know about when he makes his decision. I am sure, Senator Hickenlooper, that the farmers who raise wheat in Iowa would like to have the answer to this before they vote on May 21.

I would even be so bold as to suggest that you perhaps ought to be concerned that they should have that information by May 21.

Senator HICKENLOOPER. Well, perhaps I should, Mr. Secretary, and I will take care of that concern, myself.

I will be responsible for that concern.

Secretary FREEMAN. Forgive me if I am presumptuous.

Senator HICKENLOOPER. You are not presumptuous, but I think perhaps your advice was a little gratuitous.

I can only say that there has been no correspondence as far as any wheat farmers are concerned in my office, and as far as I know, in my colleague's office, with regard to this, or the necessity of passing this bill at this time. They are concerned as to what the program may be next year, but it has been no issue so far as any mail I have received is concerned. I don't say that that is not true in other places.

Mr. Secretary, I have been very interested in your opinion and your statements, both for the House committee and here, that you in your Department and your officials have not been engaging in any affirmative promotion for a yes vote on this wheat referendum, that you are confining your activities solely to an attempt to explain it. This is a matter I want to pursue a little bit with the considerable amount of evidence that has developed over the country, and I think you might want to test that attitude in the light of the provisions of the law applicable to the activities of the officials and members of the Department and the ASC committees.

I believe that the ASC committees, as a matter of Federal regulation, which is section 7.3, title 7, of the Code of Federal Regulations, states, among other things, that the purpose of the committee is to direct the administration of certain laws passed by Congress. Now, manifestly, the wheat law has not been passed by Congress, except insofar as it pertains at the moment to the referendum; it would not go into effect if the referendum is not passed.

It seems to me this section makes it clear that the county and community committees, and I quote from the act, "shall not engage in any other activities."

Now, the only reference that I can find to inform all functions of the committee are found in section 7.18(g) and 7.22(b).

Both of these subsections refer only to the information concerning programs administered by the committee.

In view of these regulations, can the activities and the time of the personnel which is the ASC committees and the individuals are being called upon to carry out throughout the country, can that be justified?

Secretary FREEMAN. Yes, sir.

Senator HICKENLOOPER. Can you justify the assistance by personnel and the advocacy under the cloak of officialdom by personnel of the Department and the ASC committees in affirmatively urging farmers to vote "yes" on this referendum?

Secretary FREEMAN. I have carefully read these laws and regulations and feel that it is quite clear that it is one of the responsibilities of the ASC's and of the Department as a whole to inform the farmers of the alternatives of a decision that the Congress by law has set down for them to make.

Senator HICKENLOOPER. But do you—have your people been informing them of the alternatives or only giving them one side of the story, and that is the affirmative side, to vote "yes"?

Secretary FREEMAN. My instructions have been to give both sides and we have had a number of pieces of literature prepared to that effect, that present both sides. There have been meetings held frequently in which there has been thorough discussion. As such, I feel that we are not acting improperly, but that we are only doing what we have a mandate to do.

Senator HICKENLOOPER. Well, now, I think that section 7.20 and 7.22—7.20(g) and 7.22(b) pretty clearly set out and delimit the activities of the county committees and the community committees.

And I am quoting now the duties of the county committees. I don't mean to quote out of context for any purpose at all and if it is felt that what I say is not a fair statement of what the regulation is, we can put the whole thing in. But I am leaving out a certain amount of it.

On county committees:

The county committees shall—
with a little deletion—

make available to the farmers and the public information concerning the objectives and operations of the program administered through the county committees.

Section 7.22(b) on community committees says:

The community committee shall—
and it lists some other things—

inform farmers concerning the purposes and provisions of programs being administered in the county by the county committees.

Now, I don't find anyplace in the law or the regulations which says anything about using the county committees to go out as lobbyists or as electioneering personnel to induce certain actions by the committee but, on the contrary, to administer the laws as carried out.

They are an administering body, and I am just raising the question, of course, manifestly, about the activities of a vast organization, which the Department of Agriculture represents, to present a certain side of this thing in an election, rather than to explain both sides and merely make available information to the people.

Secretary FREEMAN. This is what the county committees are doing, Senator.

Senator HICKENLOOPER. Well, we will get to that.

Secretary FREEMAN. May I just comment in connection with that, that the Congress directed the county committees to administer the Wheat Act in the sense that the election itself is to be conducted.

As such, we are operating under congressional directives.

Senator HICKENLOOPER. But there is a difference between setting up booths and being able to make available ballots for the free exercise of the franchise of the farmers in this case and setting up polling places.

That is an administrative thing. There is a difference between that and getting into the thing on a completely onesided basis.

Now, I think you perhaps have seen this, but I want to call your attention to the circular put out by the U.S. Department of Agriculture, Agricultural Stabilization and Conservation Committee, Union ASC Committee, 406 Federal Building, Lewisville, Pa., Union County, Pa.

Section B in their letter—it is signed by LeRoy Frontz, Chairman, Section B says:

We feel it is very important that all farmers express themselves in this referendum. The price of wheat for the 1964 crop will depend on the outcome. If two-thirds of the farmers voting are in favor of the program, it will mean a price support of \$2.15 per bushel in the county for 80 percent of each farm's normal yield. All other wheat grown within the allotment will have a price support of about \$1.45 a bushel.

Definitely no alternative is given to the farmer, except to say, if you don't vote for this, you are going to get economically hurt.

Secretary FREEMAN. That is true.

Senator HICKENLOOPER. Well, there is a great dispute as to whether or not the disaster will be anywhere near what your Department officials claim it will be.

Secretary FREEMAN. Not really. The overwhelming preponderance of expert opinion of completely unbiased people support the statement made, and as such it is information that I think every wheat farmer is entitled to know.

Senator HICKENLOOPER. We previously referred—I believe Senator Aiken referred—to a publication in the Federal Register, March 1, 1963, of the terms and conditions of county and community committeemen which say that before any such county committeeman or alternate county committeeman may take office, he shall sign a pledge that he will faithfully, fairly, and honestly perform to the best of his ability all of the duties devolving upon him as a committeeman and that he will support the program he is called upon to administer.

Is there anything in the law that says that other than administering the law as it is written, a county committeeman elected by his farmer friends to serve his friends can be required by the Department to take a particular position on these things?

His obligation is to administer, but is it to affirmatively go out and advocate and support, other than administering?

Secretary FREEMAN. Yes; I think committees have a responsibility to explain and inform farmers. As to the support aspect, I have some mixed emotions on this. And, as I say, I would solicit the committee's advice and general attitude to it. Can one administer a program that one does not believe in?

After all, these programs are not promulgated by the Secretary of Agriculture; they are promulgated by the Congress of the United States.

Senator HICKENLOOPER. Well, I only call your attention to the fact that I think it is true to say that almost every day of the year, judges of courts over this country, on occasions, very frankly say that they are not particularly in sympathy with the provisions of the law, but it is on the books and it is their obligation to meticulously and carefully enforce it.

Secretary FREEMAN. Well, I would not want to be—

Senator HICKENLOOPER. And there is a great difference between a person being able to honestly and vigorously administer a law and still say, "I would like to see that changed; and I can't support it affirmatively so far as advocating it. I would like to change it, but so long as it is the law, I will administer it."

Secretary FREEMAN. I will certainly take the Senator's advice under consideration, but I think the analogy is a bit lacking. When a judge sits on a case, he is not responsible for administering a program that involves millions of dollars. It is a little different.

Senator HICKENLOOPER. One of the great differences is he administers a program that deals with human rights and individual privileges, responsibilities, and liberties, which I think is probably a little more important, necessarily, probably, than millions of dollars.

Secretary FREEMAN. But, there, I think the Senator would agree that the functions of the judiciary and the executive branch of the Government, by the Constitution, are different.

Senator HICKENLOOPER. Well, under the three-branch system of Government, they have their different areas, but we cannot accomplish anything by getting into a long philosophic argument about the limitations of their ability.

But I merely point out that a judge has often said that he is not in favor of the terms of a law, but it is his responsibility to administer it, and I think, in most cases, they attempt to administer it fairly and vigorously, regardless of whether they are affirmatively in favor of it or not.

Now, I believe—were there any public hearings on these provisions in the regulations published in the Federal Register on March 1, 1963?

Secretary FREEMAN. The one to which you refer has been published and comments on it have been solicited.

Senator HICKENLOOPER. But before its publication, were there any hearings on the proposal to publish it?

Secretary FREEMAN. That was the purpose of publishing it in the Federal Register. I should say there were hearings to the extent that this recommendation was made by a representative biparty advisory committee that spent long hours in reviewing, studying, and consulting with people all over the country.

To that extent, the matter was carefully reviewed before the recommendation was made.

Senator HICKENLOOPER. But people who were consulted were people selected by the Department for consultation?

Secretary FREEMAN. No.

Senator HICKENLOOPER. Was there any public notice?

Secretary FREEMAN. The committee went out and solicited opinions and viewed the operation of the system over the country over a period of many months, and met repeatedly.

It was not a committee composed of people from the Department. It was people outside the Department.

Senator HICKENLOOPER. Let me go just a little further. These committeemen, county and community committeemen, are elected by their friends and neighbors in their area to administer the laws on the books.

However, I notice section 7.37 of this same publication in the Federal Register of March 1, 1963, has this peculiar and very interesting provision. It says—it is headed, "Secretary," referring to the Secretary of Agriculture.

Administrator or Deputy Administrator not present precluded from exercising authority.

And it says:

Nothing in these regulations shall preclude the Secretary, Administrator, Agricultural Stabilization and Conservation Service, or Deputy Administrator, State and county operations, Agricultural Stabilization and Conservation Service, from administering any or all programs or exercising other functions delegated to the community committee, the county committee, State committee, or any employee. In exercising this authority, either the Secretary, Administrator, or Deputy Administrator may designate a person or persons of his choice to be in charge with full authority to carry on the programs or other functions without regard to the committee, committees, or their employees for such a period of time as may be necessary.

Now, that, as I read it, gives the Secretary the absolute right to step in arbitrarily any time he wants to supplant, to remove, or to supersede all of these committees or any of them, and to put his deputies, his nominees, or anybody else in there at any time he wants to.

I wonder if there were any hearings on that before it was published in the Federal Register?

Secretary FREEMAN. I would not know, because that was published long before my time.

That is an old, old regulation that has been in effect for a long, long time.

Senator HICKENLOOPER. Then you republished it?

Secretary FREEMAN. Yes; we just republished it as part of an over-all regulation.

Senator HICKENLOOPER. March 1, 1963.

It is in there. But that does give the Secretary the right to step in and supersede and take over any time he wants to.

Secretary FREEMAN. In effect if a county committee is not carrying out the law, or is misappropriating funds, to take an extreme case, or is going directly contrary to the wishes of Congress and is failing to live up to his responsibility as a representative of the Government—

Senator HICKENLOOPER. This does not say that. It does not put any qualifications on it. It says whenever he wants to, he can.

Senator AIKEN. Would the Senator yield?

Senator HICKENLOOPER. Yes.

Senator AIKEN. If that was already in the law and was effective for a long time, what was the purpose of republishing it?

Secretary FREEMAN. I would have to check that, Senator; I don't know.

Senator AIKEN. Was it brought on as a result of the barley situation last year?

Secretary FREEMAN. No. I would have to check—let me make it clear in the record, I am not positive when it was incorporated and as such, let me put in the record what the previous wording exactly was.

But the Secretary has had, I think from the very beginning, the power to act where a county just completely flies in the face of the law.

This wording could conceivably be changed. That might be the reason I might not be precise in this statement. So may I reserve the right to correct the record on this?

The CHAIRMAN. That will be done.

It will be very helpful to let us know when it was published and Senator Hickenlooper would like to know why it was republished. I guess that is pertinent.

Senator HICKENLOOPER. There are no qualifications in this. It does not say in the event a county committee falls down. It just says, notwithstanding anything else, the Secretary or his nominees, his deputies, can step in, supersede, and take over all of these functions within—at his discretion. I just wondered what the comparison of any previous authority was and why this would be republished on March 1, 1963.

(The information is as follows:)

Section 7.37 of the Secretary's regulations governing ASC county and community committees was published in the Federal Register on March 1, 1963. While a similar regulation did not exist in the Secretary's regulations prior to its publication, it was the opinion of the General Counsel's Office that the Secretary's authority to act was not limited or waived by delegating functions to State and county committees in the regulations. This theory was based on two Supreme Court cases, *Knight v. U.S. Land Association*, 142 U.S. 161, *Orchard v. Alexander*, 157 U.S. 372.

In a subsequent case, *U.S. v. Wiley's Cove Ranch*, 295 F. 2d 436, the court held, without quoting the Supreme Court cases, that a delegation of authority by the Secretary was final, and denied the authority of the Secretary to act. This case prompted the Department to include in a number of its programs, such as the soil bank, the feed grain program, and the wheat program, a paragraph to make it clear that by delegating authority to State and county committees the Secretary did not thereby waive his own power to act. The provision which appears in the soil bank regulation reads as follows:

"No delegation herein to a State or county committee shall preclude the Administrator from determining any question arising under the program. * * *"
26 F.R. 7825.

The purpose of inserting section 7.37 in the Secretary's regulations was, in part, designed to eliminate the necessity for repeating the above paragraph in each of the programs by consolidating it as one section of the Secretary's regulations.

Section 7.37 was also designed to implement one of the recommendations of the Study Committee on Review of the Farmer Committee System. We quote from the report of the study committee:

9. DIRECTION AND CONTROL OF STATE AND COUNTY OPERATIONS

The provision for the State committee and its executive director to maintain continuous supervision over the activities of the several counties in the State is soundly conceived. The study committee recommends only that these provisions be augmented at certain points, and that they be more diligently administered.

There are two shortcomings in the present provisions for dealing with a breakdown in the farmer committee system:

1. It is not sufficiently clear that the Secretary of Agriculture can take necessary corrective action in his own right.

2. The remedies which are provided for are not sufficiently fitted to the needs.

Where advice, persuasion, and assistance do not bring a county's operations to a satisfactory standard, the Secretary should be able to take that measure of corrective action which the realities of the situation demand. Ordinarily, he should act, as he now does, through the authority of the State committee. But situations must be anticipated in which the State committee is a contributor to the deficiency or, more probably the case, not sufficiently alert to the need for correcting the deficiency. The Secretary of Agriculture, it must always be remembered, answers to Congress, President, and the Nation for the acts of elected farmer committees which he does not appoint. He cannot answer, in a true sense, for the acts of an elected committee unless he can induce them to do, or do for them, what they have an obligation to do.

At present, the available remedies are not well suited to the deficiencies which experience shows to occur from time to time at the county level. Where reprimand and persuasion do not succeed, suspension and removal are the next corrective remedies. Suspension and removal are last-resort measures. They amputate the arm to remove a tumor. The tumor ought not be allowed to grow until removal of an arm becomes inescapable. In the study committee's judgment, there should be available for dealing with the recalcitrant elected committee, a procedure comparable to a receivership. If the farm community has not, through its power to elect, created a responsible committee, or if the committee will not admit and respect its responsibilities—in such a case the Secretary of Agriculture should have unquestioned authority to put the county office under the management of a person he trusts. Suspension of county committeemen or the county office manager may not be required, because it may be that instruction and demonstration are what is needed to bring them to recognition of their obligations. It may be that the farm community needs both education and demonstration—an informational campaign which secures a fuller appreciation of their role in the choice of committeemen, and a demonstration of the kind of service they have a right to expect in the county office.

Disciplinary action should always be resorted to with great caution, and the Secretary should always act through an official in whom he has highest confidence.

It may be that some decisions which ought, as a rule, to be made in the county office, should be lifted out of the hands of certain county committees and placed in the State committee. This may be done because the problem is too big for the county or the county committee is reluctant to handle it.

Recommendation: The Secretary of Agriculture should make vigorous use of his present powers and should seek such additional authority as may be needed to avoid breakdowns and to correct failures in the ASC operations at the State and county level.

(a) He should be able to take over a county ASC operation when the local situation has notably deteriorated, putting a person of his choice in charge with full authority to carry on all the activities (with or without a county committee), and keeping him there until the Secretary is of the opinion that farmers in the county will police the committee operation.

(b) He should be able to raise from county to State level the administration of any aspect of a program which, in his judgment, a county cannot adequately administer.

Senator HICKENLOOPER. Now, I have here, Mr. Secretary, a copy of a letter from Mr. Wilbur Wuertz, from Pinal County, of Pinal County, Ariz. It is from 914 North Picacho Street, Casa Grande, Ariz., dated April 22, 1963.

It is addressed to the wheatgrowers in Pinal County. It says:

DEAR NEIGHBOR: You recently received a letter from the Pinal County ASCS Committee, sent at taxpayers' expense, giving a one-sided argument for a "yes" vote on the wheat referendum. While I am a member of the county committee, and my name did appear on the letter, I want it known that I neither gave approval to the letter, nor do I recommend a "yes" vote in the referendum.

It is my belief that when a county committeeman is elected by his fellow farmers his first responsibility is to represent those farmers to the best of his ability, and not simply be a rubberstamp for any and all proposed Federal programs. I believe that once a program goes into effect that a committeeman should help administer it in the fairest possible way. But I do not believe it is proper for any Government agency to use the resources of the Federal Treasury in an attempt

to propagandize growers into voting according to the dictates of the "planners." My concern about this trend is great enough that I felt I should take this method at my own expense to call it to your attention.

It seems obvious to me that there are many valid and important reasons for voting "no" in the referendum of May 21. Otherwise we wouldn't be witnessing this unprecedented effort on the part of the Federal bureau to brainwash and stampede us into a "yes" vote. As a fellow farmer I urge you to carefully consider the long-range effects of a Federal supply-management program, not only for wheat but for all of agriculture and then cast your ballot according to the dictates of your own beliefs.

Very truly yours,

WILBUR WUERTZ.

Now, I want to call your attention, also, and this goes to the point of whether or not there is only one side to this question. I want to call your attention to the Farm Journal, March 1963; a poll which they ran. Now, I do not necessarily rely on polls on any particular situation one way or the other. But they have a habit quite often of giving some very significant background information.

According to the results of this poll, a photostated page which I have here, there are three questions. One:

Should ASC committeemen be limited to those who favor and will promote current farm programs?

This poll shows that the "yes" answer was 23 percent; the "no" answer was 77 percent.

That is further broken down into regions, but that is the total composite.

The second question asked in this poll is:

Should the Secretary of Agriculture's authority over ASC committees be strengthened?

The "yes" answers were 21 percent; the "no" answers, 79 percent.

That is the composite, not giving the regional breakdown which I am happy to give.

The third question in this poll as published by the Farm Journal is:

Should we have USDA county councils to report to the Secretary, Congress, and others on the local conditions and the problems?

The overall composite vote was "yes," 43 percent; "no," 57 percent. Now, if anybody desires it, I will be glad to put this page in.

The CHAIRMAN. Out of what publication was that?

Senator HICKENLOOPER. The Farm Journal.

The CHAIRMAN. Does the Secretary desire to comment?

Secretary FREEMAN. No; I am familiar with it.

Senator HOLLAND. I suggest it be placed in the record. Then we will have a chance to see it.

Senator YOUNG. Their polls have been notoriously inaccurate in the past, but maybe it should be in the record.

(The document referred to is as follows:)

[Farm Journal, March 1963]

FARMERS SAY, 3 TO 1

"If you ever stirred up a nest of hornets, you did it with your article on ASC committees," says C. T. Daube of Indiana.

And apparently it did. Not only did more than 3,500 farmers vote on the three questions posed last month (February, p. 38) but many wrote long letters to get a few things off their chests.

Two things are plain:

1. These farmers do not agree with Secretary Freeman's study group that ASC committeemen should be limited to those who favor and will promote farm programs.

2. They do not want to see the Secretary of Agriculture have more authority over ASC committees.

Nationally, 77 percent of those voting said "no" to the first question; 79 percent said "no" to the second question, and 57 percent voted "no" on question No. 3. (Regional differences are given below.)

Take that first question: Should only those who favor current farm programs serve as committeemen?

Yes, says a farmer from Red Oak, Iowa, who argues that anyone elected to a committee should try to promote the program and work for it.

"I can't understand how any farmer can conscientiously administer a program he is strongly against," says another Iowan, Roy Simonson.

However, 77 percent of those who sent ballots feel otherwise. "We need the checks and balances of committeemen who do not swallow 100 percent the farm programs they administer," writes Orville Backens of Wisconsin.

Committeemen should also represent those who don't participate, believes Roger Currier of Minnesota.

Sam Smith, Jr., of Louisiana points out that "when Congress passes a law that the President doesn't like, he isn't required to resign—but simply to administer the law. So why should a committeeman have to resign?"

Clyde Beeby, Oklahoma, a committeeman for several years, says: "I feel that I should represent those who elect me, not be a push button for whoever happens to be Secretary of Agriculture."

Adds a Kansas farmer: "ASC committeemen should be loyal to their area and electors—first. If the program fails an area, they should oppose it."

Don't give the Secretary of Agriculture more authority over ASC committees than he now has, say 79 percent of those who wrote in.

"We've got to keep some control in the hands of farmers, or the ASC will become just a propaganda branch of the USDA," says an Iowa farmer.

Mr. and Mrs. Clarence Rippe of Kansas offer: "We need to control the politically-appointed Secretary of Agriculture some way. What better way than to elect the local ASC? Otherwise, farmers, being a minority group, have no way to show their disapproval."

"If a committeeman doesn't do right, his fellow farmers will remove him the following year," reminds Sam Smith.

And Carl Idland, Montana, says: "I don't believe that someone who is appointed should have the authority to dismiss men who are elected."

Although 43 percent approved of county USDA councils that would report to Washington, D.C., not many expressed themselves strongly on either side of the question.

Some thought a county council of the right kind might be a good idea. For instance, "One composed of outstanding farmers and businessmen of the county; but there shouldn't be any paid employees of Government on it," suggests Merritt Fermer, South Dakota.

"This could well turn into an organization to influence legislation," believes J. E. Brown of Ohio. "It smells like an attempt to build a political machine," agrees G. H. of Illinois.

[In percent]

| | United States | East | Central | South-east | South-west | West |
|---|---------------|------|---------|------------|------------|------|
| 1. Should ASC committeemen be limited to those who favor and will promote current farm program? | | | | | | |
| Yes..... | 23 | 21 | 27 | 22 | 15 | 12 |
| No..... | 77 | 79 | 73 | 78 | 85 | 88 |
| 2. Should the Secretary of Agriculture's authority over ASC committees be strengthened? | | | | | | |
| Yes..... | 21 | 14 | 25 | 19 | 20 | 10 |
| No..... | 79 | 86 | 75 | 81 | 80 | 90 |
| 3. Should we have USDA county councils to report to the Secretary, Congress, and others on local conditions and problems? | | | | | | |
| Yes..... | 43 | 37 | 46 | 44 | 33 | 37 |
| No..... | 57 | 63 | 54 | 56 | 67 | 63 |

Senator HOLLAND. Will the Senator yield?

Senator HICKENLOOPER. Yes.

Senator HOLLAND. Does the paper, which I haven't had a chance to see, indicate the number sent out, the number of replies?

The CHAIRMAN. That was to their subscribers, I assume.

Who is the editor of the Farm Journal?

Senator HICKENLOOPER. I don't know the method which they used to conduct this poll. They have been doing it a number of years, as a number of papers and publications have.

Senator AIKEN. I expect they poll their subscribers.

Senator HICKENLOOPER. I don't know. I haven't any idea as to the method they use to poll. I only know it is a publication that has been quite successfully published for a good many years.

Senator HOLLAND. Off the record.

(Discussion off the record.)

Senator HICKENLOOPER. Now, Mr. Secretary, I would like to ask you, in view of the regulation and what has been referred to as the loyalty oath of ASC committeemen and community committeemen, which is now required to be signed by these people for eligibility for office, which I think is an innovation, and in view of the fact that the Department is clearly committed in its own opinion and your opinion to the desirability of an affirmative vote on this wheat referendum, if a county committeeman or a community committeeman go out and advise the farmers in their areas to vote no on this wheat referendum, does that violate their loyalty oath?

Secretary FREEMAN. Of course not.

Senator HICKENLOOPER. And are they perfectly free to do that, if they want to?

Secretary FREEMAN. Of course. Obviously, you have just read a letter from one of them. He didn't seem very frightened. The county committeeman that wrote the letter the Senator just read was not very afraid.

Senator HICKENLOOPER. I think they have a right to. I agree with you thoroughly.

Secretary FREEMAN. Sure.

Senator HICKENLOOPER. He was objecting to what he said was the pressure of the Department using the Department funds and ASC committee people to support this thing on the affirmative side, as a Government operation.

Secretary FREEMAN. Honestly, Senator, I think one of the problems that probably stems from his letter is that the fact, when you present both sides and the results are so overwhelmingly affirmative in favor of the benefit of the wheat farmer to vote yes, that those people who philosophically oppose the program then feel that there is a campaign on rather than a presentation of the honest facts.

That has been the problem.

Senator HICKENLOOPER. Well, I think there is another belief that the farmers have not really had an opportunity to have presented to them both sides of the question and that they have only had one side emphasized through the mechanisms and the machinery of the Department of Agriculture.

Now, I would like to call your attention to a statement in the report from the Committee on Appropriations by Senator Russell of Georgia, who is chairman of the Subcommittee on Agricultural Appropriations.

Senator HOLLAND. That was last year.

Senator HICKENLOOPER. August 22, 1962. Senator Holland is chairman of that subcommittee now. Senator Russell was chairman at the time this report was written.

And on page——

Senator HOLLAND. I may say as a member of that subcommittee I approved of that report at that time and I still approve the philosophy expressed in that statement.

Go ahead.

Senator HICKENLOOPER. On page 18 of this report, it says:

The committee believes that the amount provided will be adequate and serves as a further incentive to the agency to streamline procedural requirements.

This refers to the expenses of the Agricultural Stabilization and Conservation Service.

A further incentive to the agency to streamline procedural requirements and to curtail nonessential travel and other controllable administrative expenses under these well-established programs. The committee has not sought to earmark the reductions made under the budget requests, but suggests that \$7 million appears to be an adequate sum to administer the routine requirements under the conservation reserve program. The committee believes that in some areas of the country, the travel, per diem and related expenses for county officers and the use of committeemen have been excessive.

The use of county committeemen should generally be limited to advisory functions, explanation of program changes, and to the general oversight of county office operations. Their use in visiting individual farms and in the administration of county officers' program activity should not be continued.

I point out the attitude of the committee last year with regard to the excessive use of county committeemen to promote certain philosophies.

Now, in connection with the activities, when these county committeemen go roundabout attending meetings in connection with this wheat referendum, do they receive pay from the Government—mileage and per diem?

Secretary FREEMAN. On some occasions they might.

I think most of this would probably be on their own time because the budget would be not adequate to cover the number of meetings involved. I could not answer that question flatly.

Senator HICKENLOOPER. But if the budget were adequate, they would be paid, is that right?

Secretary FREEMAN. No; I think that this does not lend itself to a precise answer. It would depend upon the nature of the meeting and its importance and what is involved. It is pretty difficult, for example, to separate on-going functions of other kinds from the wheat referendum.

Senator HICKENLOOPER. I thought in view of the discussion a while ago about the \$900 being available in this one county for holding barbecues and meetings and socializing affairs, that it might probably extend to per diem and mileage and so on, of the ASC committees.

But I think the record will have to show that at some later date when we can get to it.

Secretary FREEMAN. The \$900 is to conduct the referendum.

Senator HICKENLOOPER. Conduct the election? Including the socializing meetings and the free eating for advocating.

Secretary FREEMAN. Sir, you are very persistent to put words in my mouth. What I said was the \$900 was to carry forth the referendum because the county committee in question had not allowed funds to do this. They asked for some \$8,000 increase. They got

\$900. We had the mandate of the Appropriations Committee very much in mind and we did not give them what they asked.

Senator HICKENLOOPER. At this moment, I might ask, how much money are you putting into each county for the purpose of promoting this election?

Secretary FREEMAN. None.

Senator HICKENLOOPER. Not in any of the counties?

Secretary FREEMAN. I would have to check. This is the only fund that has been expended—

Senator HICKENLOOPER. Where does the \$900 come from?

Secretary FREEMAN. Oh, I see. You mean how much does the election proper cost?

Senator HICKENLOOPER. I don't know. In this McCone County operation, they said they had \$900 available. What happened to that document I had a while ago?

Secretary FREEMAN. The press probably has it over there.

Senator AIKEN. How many polling places in a county?

Secretary FREEMAN. I don't know, Senator.

I really do not. I expect it would vary around the country according to the number of voters.

Senator AIKEN. If they have two polling places, it would be a very generous allowance. If they have one at each crossroads, they could use the \$900.

Senator HICKENLOOPER. This says:

The county officials were informed that a fund slightly in excess of \$900 had been made available and was earmarked for use in McCone County to promote a yes vote. It was suggested that this money be used in the following manner:

Hold three meetings with the community committee to discuss and encourage a yes vote. It was suggested that one of these meetings be held in the evening, with a potluck dinner where the wives could be present, the county officials could socialize with community committeemen and their wives for the purpose of having conversation on ways to get out the yes vote.

Senator AIKEN. May I point out that Montana has the only woman chairman of a State committee and she undoubtedly appreciates the finer things of life.

Senator HICKENLOOPER. Sure she does.

I will get to this a little later.

(Discussion off the record.)

Senator HICKENLOOPER. Again I want to refer, in connection with these activities and the claim of impartiality in this matter.

I have here an editorial from "Successful Farming" by Dick Hanson. I will just read one paragraph of it.

One thing that bothers me is the massive amounts of your money and mine being used by Secretary of Agriculture Freeman to get you to vote yes for the new program.

That merely indicates their view.

Then, in Wallace's Farmer of April 20, 1963, in their column called "Washington Report," and the column entitled "Wheat Vote Will Leave Scarce," among other things, they say there:

The tempo of the campaign likewise causes resentment within the USDA ranks. Career Government employees fume, although usually silently, over having been recruited for a role in what has become a partisan fight.

Some feel a forced involvement undermines their agency's hard-earned confidence of farmers and in turn, their ability to serve farmers.

The CHAIRMAN. Are those just statements made by columnists, Senator?

Senator HICKENLOOPER. This is in the column called the Washington Report by Wallace's Farmer and I take it it has as much validity as the report of any other reporter who reports on statements and opinions.

The CHAIRMAN. Well, I put a lot of those, when they wrote about me, in the wastebasket, I will tell you that. Particularly I think Mr. Kennedy of farm and ranch.

Senator HICKENLOOPER. I have noticed when a reporter says something nice about you, it goes in a scrapbook in a very prominent place and when he says something uncomplimentary, it goes in the wastebasket.

The CHAIRMAN. No, sir; I put it all in.

Senator HICKENLOOPER. Now, the Minnesota Farmer ASCS News publishes a message from you, Mr. Secretary—at least it is allegedly from you, volume No. 7, April 1963, of Minnesota Farmer ASCS News.

I would just as soon put this whole page in if there is no hesitancy about it.

I don't want to clutter up the record too much.

On page 1, or the reverse of the first page, which contains your message to them, it says:

The Food and Agricultural Act of 1962 offers wheat growers a choice of two programs in 1964, one a limited acreage of wheat, price support, \$2 per bushel average for most wheat marketed, and the payment for reducing wheat acreage, and two, the other with almost no limits on production or marketings and with virtually no effective price support. The choice will be made on May 21, 1963, the date of the wheat referendum.

It is a rather frightening picture.

Secretary FREEMAN. I think that is an accurate statement.

The CHAIRMAN. I think it is correct.

Senator HICKENLOOPER. Incidentally, Mr. Secretary, and while I am reminded of it here, could you furnish for the record here the total cost of mileage and per diem on preparation for election of this wheat referendum?

Mileage and per diem of ASC and other committeemen.

Secretary FREEMAN. I will do that to the best of my ability; yes, sir.

(The information is as follows:)

The 1964 wheat program is a new program vastly different from previous programs. This means that a greater than normal effort is required to fully explain the program provisions. It is estimated that there will be a potential of over 1 million new voters who have not participated in prior referendums. In view of the above and since the referendum will not be held until May 21, 1963, it is impossible at this time to make a reasonable estimate of the cost of mileage and per diem expenses of ASC committeemen.

In connection with this referendum, State ASC committees have been advised that budgetary limitations would not permit payment of community committeemen to make down-the-road contacts to explain the program to their neighbor wheat farmers. Any such effort would be at their own expense.

Senator HICKENLOOPER. And also the speeches and places where you and members of your Department have traveled to advocate or urge the support of this wheat referendum around the country and how much time is involved.

Secretary FREEMAN. This would be a little complicated, because we have sought to present both sides in connection with it. The Senator assumes advocacy in all of his questions.

Senator HICKENLOOPER. Well, I think the evidence will be initially cumulative that the presentation has just been one sided and that there has been an affirmative urging of a yes vote through here by officials of the Department.

I have a considerable amount of cumulative evidence along that line.

Secretary FREEMAN. We will certainly try to do it.

Senator HICKENLOOPER. So I think the whole record will speak for itself when we get through.

Secretary FREEMAN. Fine.

(The information is as follows:)

Addresses by the following officials of the Department of Agriculture were submitted pursuant to the above request and are on file with the committee:

John P. Duncan, Jr., Assistant Secretary for Marketing and Stabilization, before Farmers Union Banquet, Oklahoma City, Okla., December 11, 1962.

John A. Baker, Assistant Secretary of Agriculture, U.S. Department of Agriculture, at the Fargo Farm Forum, Fargo, N. Dak., February 8, 1963.

John A. Baker, Assistant Secretary, U.S. Department of Agriculture, at the Indiana Farmers Union, farmer-businessmen's banquet, Evansville, Ind., March 6, 1963.

John A. Schnittker, staff economist, Agricultural Economics, 1963 farm forum, Minneapolis, Minn., March 4, 1963.

Orville L. Freeman, Secretary of Agriculture, before the National Association of Wheat Growers, Denver Hilton Hotel, Denver, Colo., December 13, 1962.

Orville L. Freeman, Secretary of Agriculture, at the annual meeting of the National Council of Farmer Cooperatives, Miami Beach, Fla., January 8, 1963.

Orville L. Freeman, Secretary of Agriculture, at a meeting of national farm organizations and cooperatives who are forming a National Wheat Referendum Committee in Omaha, Nebr., January 10, 1963, Sheraton-Fontenelle Hotel.

Orville L. Freeman, Secretary of Agriculture, speech to the Farmers Union Grain Terminal Association Convention, December 11, 1962, St. Paul Auditorium, St. Paul, Minn.

Orville L. Freeman, Secretary of Agriculture, speech at the National Farmers Union Convention, Park-Sheraton Hotel, New York City, N.Y., March 19, 1963.

Orville L. Freeman, Secretary of Agriculture, excerpts from remarks at the spring conference, National Federation of Grain Cooperatives, Mayflower Hotel, Washington, D.C., April 2, 1963.

Orville L. Freeman, Secretary of Agriculture, remarks before Agricultural Policy Forum, Chicago Board of Trade, Palmer House, Chicago, Ill., December 12, 1962.

Horace D. Godfrey, Administrator of the Agricultural Stabilization and Conservation Service, before the annual banquet of the southeastern district of the National Association of Television & Radio Farm Directors, Raleigh, N.C., April 26, 1962.

Edwin A. Jaenke, Associate Administrator, Agricultural Stabilization and Conservation Service, National Soft Wheat Millers' Association, Louisville, Ky., January 25, 1963.

James B. Dyess, Northwest Area Director, Agricultural Stabilization and Conservation Service, before members of the Oregon Wheat Growers League and the Chamber of Commerce of The Dalles, Oreg., April 22, 1963.

Horace D. Godfrey, Administrator, Agricultural Stabilization and Conservation Service, at the Texas Grain & Feed Association Convention, Corpus Christi, Tex., April 19, 1963.

Senator HICKENLOOPER. I don't know whether you have seen this or not, but I have here a copy of the letter from the Kentucky ASC officers on the stationery of the U.S. Department of Agriculture.

It is from the State office at 1409 Forbes Road, Lexington, Ky., dated April 15, 1963. It is to county ASC committeemen, office managers.

It is from George M. Nelson, Jr., State executive director. The subject is "Public Service Time on Radio and Television for Wheat Program Information."

It urges all county committeemen to get out and secure time to talk about this wheat referendum and to—in a rather veiled way, one has to, of course, read between the lines. But it indicates that they can point out to these stations that they are regulated stations, and I think a reasonable interpretation of this letter is that they had better give the time or else suffer whatever—

The CHAIRMAN. Will the Senator read that part which indicates that, please, or put the whole thing in the record?

Senator HICKENLOOPER. Well, I would just as soon put the whole thing in the record.

Senator AIKEN. How about reading that part, too, so we will know where it is?

The CHAIRMAN. The Senator is a lawyer and I would like to know how he interprets things.

Senator HICKENLOOPER. Well, I don't think it takes a lawyer to read the behind-the-words insinuation and meaning of these things.

It is quite clear.

The CHAIRMAN. I understand.

Senator HICKENLOOPER. The first paragraph says:

Nevertheless, a station does have the general obligation to provide its listeners with information on public programs of interest to them.

The CHAIRMAN. That is correct, isn't it? I do it every week. I do it every week for my constituents.

Senator HICKENLOOPER. There is a certain area in which stations do provide public information. But this is a pointed reminder that they do have the general obligation.

Then they say:

State and county officers—

and this is underlined:

State and county officers and farmer committees should therefore feel no hesitation in asking for adequate free time for the presentation of information relating to the national wheat referendum.

The CHAIRMAN. Well, I presume that if those people got that permission, the Farm Bureau could get equal time, could it not, because they are opposed to it?

Senator HICKENLOOPER. Well, I don't know about that. But here is a Government agency which, in effect, can well be interpreted as saying, "Go to these stations and tell them, You had better give us the time."

Secretary FREEMAN. Senator, I would like to say in connection with that, I have not seen this letter, but I would heartily endorse the action taken by the committee. I would not read into it any possible coercion.

I think that is certainly stressing the point and I think the county committee of a State acts properly in trying to get public service time to talk about the referendum.

I have not seen that letter, but the parts, at least, that you read, I would consider very proper, indeed.

Senator HICKENLOOPER. Yes. I am not surprised.

(The letter referred to is as follows:)

U.S. DEPARTMENT OF AGRICULTURE,
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE,
Lexington, Ky., April 15, 1963.

To: County ASC committeemen office managers.

From: George M. Nelson, Jr., State executive director.

Subject: Public service time on radio and television for wheat program information.

The purpose of this memorandum is to encourage you to make full use of radio and television public service time in getting to farmers the facts they need to have before voting in the national wheat referendum on May 21. Radio and television have special advantages in communicating to farmers because of their timeliness and their broad availability to rural people wherever they live. A given station does not have to devote any specific share of its broadcast time to public service programming. Nor is it required to give attention to any particular Government program or any particular Government agency. Nevertheless, a station does have the general obligation to provide its listeners with information on public programs of importance to them.

Information on the 1964 wheat program, including the issues involved in the national wheat referendum, is clearly public affairs material which a station can legitimately be asked to broadcast on a free basis at hours convenient to rural listeners and viewers. State and county offices and farmer committees should therefore feel no hesitation in asking for adequate free time for the presentation of information relating to the national wheat referendum. It should be pointed out that most stations are eager to carry out their public service obligation, as well as to program material of wide interest (which the referendum is).

As indicated, we are in no position to insist on a station's cooperation, and should, of course, use extreme care to avoid giving the impression of coercion, threats, or the like. However, it is not out of order to suggest that information on the referendum might be within the public service policy of the station—and to explain that the legislation which provided for the referendum is the law of the land and fully deserving of the station's attention. In this respect, it is on a par with information about the Federal income tax, Government bonds, and Federal research results. It might also be explained that many of the station's listeners have an economic stake in the question and are entitled to consideration. Also, it is important for stations to realize that the statutory obligation to disseminate this information rests with the Department of Agriculture.

We should not be expected to buy commercial time and cannot legally do so. Nor should we be limited to using purchased time made available by some other organization or firm. This would be contrary to the American system of broadcasting. Although we may participate in commercially sponsored programs under appropriate conditions, we must not be limited to such programs.

May I emphasize in closing that you will find that the overwhelming majority of commercial broadcast people are cooperative to the Department of Agriculture, and we should always approach them with this in mind.

The CHAIRMAN. Off the record.

(Discussion off the record.)

Senator BOGGS. Mr. Chairman, before we adjourn, I would like the record to show that I was here during this hearing and I cannot be here this afternoon because I have an engagement in Delaware which I must keep. I will not be able to be here Monday morning because of an important dentist's engagement. But I will be at the rest of the hearings. Many of the questions that I had in mind to ask have been asked by other members of the committee on both sides. I think that other questions I have in mind that have not been asked so far will no doubt be asked later on or I can ask other witnesses as they come before the hearing.

The CHAIRMAN. I would suggest, since the Senator is unable to come this afternoon, if it is agreeable to Senator Hickenlooper and the Senator does not take too long, you might ask them.

Senator HICKENLOOPER. Certainly.

Senator BOGGS. If you would give me 5 minutes, I think I could cover them.

The CHAIRMAN. Is that agreeable to the Senator from Iowa?

Senator HICKENLOOPER. Oh, yes.

Senator BOGGS. I will try to be brief.

I wanted to clear up in my mind the point concerning additional discretion provided the Department, the Secretary, in H.R. 4997.

That provides in several instances, I think, additional discretion in the administration of the feed grains program, as distinguished from the 1963 program.

Secretary FREEMAN. Yes, sir.

Senator BOGGS. I wanted to ask, Mr. Secretary, if you could state why this additional discretion becomes important.

Secretary FREEMAN. Yes; I would be happy to try to respond to that.

So far, in the feed grain program, we have sought the objective of getting as many acres out of production as we could within the cost limitations. We expect that by the end of the 1963 crop year there will be no more surplus. We will be down to about the stocks that we ought to have on hand. We, however, do not want to start this process all over again. So we now are going to need to try and target a given number of acres less than an all-out program. Maybe we will want 10 million and maybe there will be 12 and maybe there will be 17. We are going to have to develop a new mix, you might say, between acreage diversion and the support payments.

We very frankly are doing some very careful research and studying in connection with this, because we had hoped that we can hold, then, a stable level and not repeat what we have corrected over these years.

And very frankly, this is going to be difficult and will take the application of more discretion than otherwise would be necessary.

Senator BOGGS. I am sure it is necessary to take the view of a changing situation. The thing that concerns me, as we try to get all the information we can to the farmers, the people who will vote on May 21, that with this additional areas of discretion provided the Department and the Secretary—whoever may be the secretary, it seems to me we put more problems before the farmer in trying to decide what to do, because he cannot tell what is going to be to his benefit one way or another and makes the situation more difficult.

He can only determine on what he knows is going to be a fact and when these areas of discretion, broad areas, or new areas of discretion are in there that have not been interpreted or there is no precedent for it, necessarily, I would hesitate to advise him on what anyone would do with that discretion. That is why I think this hearing has been very helpful at this time.

Secretary FREEMAN. May I say, Senator, that I would assure you the determination of what the factors would be will be made by the Secretary within a time that will give the farmer as long a leadtime to make the judgments that he will need to make as to whether he wishes, and of course, this is purely a volunteer program, to come in or not to come in. And we have and will certainly do that.

It really just comes down now to trying to adjust to a different phase of the program which is quite complicated, and to get what is necessary without getting too much or too little.

Senator BOGGS. Thank you very much.

The CHAIRMAN. Thank you very much.

The committee will stand in recess until 2 o'clock.

(Whereupon, at 12:35 p.m., the committee recessed to reconvene at 2 p.m., of the same day.)

AFTERNOON SESSION

The CHAIRMAN. The committee will come to order.

Senator HICKENLOOPER?

Senator HICKENLOOPER. I want to make sure if I did not make it clear this morning, Mr. Secretary, that I do not question in the slightest degree your right as Secretary, or the people in your department to affirmatively support the programs. I want to make that clear. I have no criticism of your advancing your position. The point I am trying to make is to establish by what I believe is a very substantial amount of evidence that you and your department are using the ASC committees and the community committees in a way which I think—and I say this I hope kindly—but I think can well be an illegal manner in forcing these members out in the townships and in the communities to go beyond the basic concept and the basic delineation of their duties and obligations and to coerce them into supporting a program which you as an individual have every right to support, as a member of this administration in support of these programs. I want to make that situation clear. I did not mean this morning and I do not mean now to make any other contention about your own right to go out and support a program which you, as Secretary of Agriculture, think may be a good one—and to oppose one you think is a bad one. It is only in connection with the using of this grassroots army of grassroots people who are not there for that purpose, in my view, and at Government expenses and per diem, and so on, coupled with the so-called, for want of a better term, loyalty oath.

Incidentally, did you look up whether that was a reprint of a former provision?

Secretary FREEMAN. Yes.

Senator HICKENLOOPER. Is it?

Secretary FREEMAN. Yes.

Senator HICKENLOOPER. Can you point it out to me?

Secretary FREEMAN. The provision calls for the support of the program is added on from the recommendations of the advisory committee. The last section that you referred to in the regulations is a restatement of the long-existing regulation. The total regulation is pulling together a number of different regulations, but this does not have the effect of administrative force. This is merely its printing. And the solicitation of opinions as to the soundness of having such a regulation. As I said this morning, I would be more than interested in this committee's opinion in connection with that. And I would add——

Senator HICKENLOOPER. I have tried to find where this is in effect a reprint, and I was unable to find it.

Secretary FREEMAN. The language has been changed, but the Secretary has always had the authority to remove a county committee, which is acting improperly.

Senator HICKENLOOPER. I do not question that.

Secretary FREEMAN. Now the question, the part of the statement that has to do with support for the program is a new addition.

Senator HICKENLOOPER. That is new?

Secretary FREEMAN. Yes.

Senator HICKENLOOPER. But we were a little bit in error, then?

Secretary FREEMAN. Oh, no.

Senator HICKENLOOPER. That this is a reprint.

Secretary FREEMAN. No, no, sir.

Senator HICKENLOOPER. Are they former statements?

Secretary FREEMAN. No, sir; you misunderstand me. I said clearly that that was new this morning. I did say that I was not sure whether the language in the last paragraph on the back that you read was identical to the preexisting regulations. I find it is not. It has been replaced.

Senator HICKENLOOPER. I think it would be well to make a comparison there.

Secretary FREEMAN. Surely.

Senator HICKENLOOPER. Of the chronology of that situation.

Secretary FREEMAN. May I just add, in response to that, I appreciate the Senator's comments. I, as a matter of policy, have not tried to exhort, because I was not trying to tell any farmer how to vote. Occasionally, if I were asked pointblank, if I were a wheat farmer, how I would vote, I would have said that I would vote "yes" and I would have said that honestly. On the other hand, I would assure you that there is not one iota of compulsion on anybody in any committee to do anything in connection with the referendum except the directive from the Secretary to participate in the process of distributing information, to answer questions, to attend the meetings, and to make available to the wheat farmers who will be called on to vote in the referendum such help, and there is no connection whatsoever between what you refer to as the loyalty oath. Moreover, I repeat again that the oath is not yet a matter in force and effect since the actual wording of the pledge itself has not yet been decided upon by the Department. They have no connection whatsoever.

The proposed regulation, as I said this morning, is a product of the recommendations of the advisory committee that worked for many months on it, that felt that this would serve to tighten up some of the regulations, some of the things that were needed, but has no relationship whatsoever. And as to my knowledge it has never been referred to in connection with the wheat referendum at all.

Senator HOLLAND. May I make a suggestion here?

Senator HICKENLOOPER. Yes.

Senator HOLLAND. I think that the so-called loyalty oath might be rephrased. I am just offering the opinion of one Senator. It seems to me that what they can properly be obligated to do is to honestly administer the programs, but when you put in there that they must support the programs, given to them to enforce, that would indicate an approval and a recommendation and the like which I do not think there is any justification for asking a committeeman to do. One community might elect committeemen who would be completely opposed to the philosophy as to what we have done here in Congress, and yet they elect the people who would honestly and honorably enforce the law by enforcing the administration of the program. I would suggest for the record that it would be well to use some word

indicating "honesty of administration," "of execution" rather than support. I do not know how the chairman would feel about that, but it seems to me that is more in accord with the system, because all farmers in every county in the Nation are not going to be in support of a program that is adopted by a majority. If that were so, why a two-thirds vote might be a 100 percent vote, instead of the two-thirds. And the law does not require 100 percent vote for a program.

Secretary FREEMAN. I think that is a very good suggestion.

Senator HOLLAND. My suggestion would be that it be reworded to simply require an honorable administration in strict accordance with the law for the program and the like.

Secretary FREEMAN. Yes.

Senator HOLLAND. I just make that suggestion because it is really what they would be expected to do. Let me say this off the record.

(Discussion off the record.)

Senator HICKENLOOPER. Mr. Secretary, I believe that Mr. Murphy, Mr. Charles Murphy is the Under Secretary; is he not?

Secretary FREEMAN. Yes.

Senator HICKENLOOPER. I take it, therefore, that when he speaks before groups on agricultural policies, along with departmental activities, he speaks along the general lines of the Department; is that correct?

Secretary FREEMAN. Well, if you mean do I censor every speech that Mr. Murphy makes, the answer is "No."

Senator HICKENLOOPER. I do not mean that at all, but I mean that when he speaks to farm organizations I assume that he speaks and exemplifies and enlarges upon the general policies of the Agriculture Department?

Secretary FREEMAN. I am sure that he does that.

Senator HICKENLOOPER. Excepting some personal speech on some other subject. I am not covering that. I feel sure that he does what I have stated and, therefore, I would like to call your attention to a speech that he made on April 3, 1963, and the speech was made before the National Federation of Grain Cooperators, Washington, D.C. I do not have the full speech here.

I can get the whole speech and put it in the record, but I think this part is the only part that is pertinent. There are two sections of this speech that I would like to put in as a cumulative part of this case of the direct coercion that I am trying to build here. At one point he says—he is talking about this wheat referendum—and he says:

The principal thing at stake in this referendum is the farmers' income and welfare. The difference between \$2 wheat and \$1 wheat ought to be so plain as to require no elaboration. If wheat farmers vote to cut their wheat income \$700 million in 1964, they won't have much of that income left.

That, of course, is an argumentative conclusion.

This is rather interesting. He is speaking as Under Secretary of Agriculture and he says:

Also at stake in this referendum may be the future of a particular farm organization. How anyone claiming to speak for the farmer could oppose a "yes" vote in this referendum I do not understand. It seems to me that any farm organization taking this position is bound to lose no matter what the outcome of the referendum. If the referendum carries, the loss of face and prestige is obvious. On the other hand, if the referendum loses, the results from the farm organization responsible could be much worse.

Now we have got to go back and dredge up Herbert Hoover, because in this particular paragraph he says:

In North Carolina in 1932, farmers who were no longer able to buy gasoline and parts for their automobiles put shafts on them, hitched them up to horses and mules, and called them Hoover carts. They used to have Hoover-cart parades. If this wheat referendum fails to carry, it may be that in Kansas in 1964 you will see farmers hauling \$1 wheat to your elevators with signs on the side of their trucks saying "Shuman wagons."

There is no doubt but what that refers to President Shuman of the American Farm Bureau Federation.

It goes further along and he says:

Personally, I am optimistic about the outcome of the referendum. I simply don't see how farmers could be misled so badly as to vote "No." However, I have been wrong about such things before and could be wrong this time.

Now, true, he did not say in that sentence to vote "yes." More technically he did not tell them to vote "yes." He said:

I simply don't see how farmers could be misled so badly as to vote "no."

And further:

Moreover, I have been wrong about such things before and could be wrong this time.

These excerpts were circulated on the stationery of the Department of Agriculture, from the State ASC office in Lexington, Ky., under date of April 10, 1963, to the chairmen and office managers of the county ASC committees by Mr. George M. Nelson, Jr., the State executive director, under the title "Remarks by Under Secretary of Agriculture concerning wheat referendum."

And it says in the body of the memorandum:

Enclosed are three copies of excerpts from a talk by the Under Secretary of Agriculture, Charles S. Murphy, before the National Federation of Grain Cooperatives, Washington, D.C., on April 3, 1963.

This contains information on the vital issues at stake in the forthcoming wheat referendum and should be read very carefully.

Which means that you learn better by reading than by talking. This is my statement as to the——

The CHAIRMAN. Do you wish to comment on that?

Secretary FREEMAN. No.

Senator HICKENLOOPER. I am informed, but I cannot allege this—I think that proof can be obtained—I am informed that these communications are franked out under letter frank.

The Kansas ASC State office put out Mr. Murphy's speech, or excerpts from it. This was put out also under date of April 10. I was definitely told that these were franked out. And they point out that he said in his speech—he is talking about cooperatives, and so on—

if both of these things are true, I suppose your top priority business from now until May 21 will be to inform wheatgrowers why they should vote "yes" in the referendum, and I suppose the wheatgrowers will follow your advice and everything will be hunky dory.

And it says further down at the bottom:

The Department of Agriculture is 100 years old, and it, too, will continue to be right, no matter what the outcome of this referendum is. And, as a matter of fact, it probably will save several hundred million dollars in 1964 if this program is defeated in the referendum.

I cannot quite follow what he means by that. Is it in the speech? I have read it out of context. I have no desire to take anything out of context with a distorted meaning. And I will put the whole thing in, if you want it.

Senator PROXMIRE. Which speech is that?

Senator HICKENLOOPER. The speech of Mr. Murphy, Under Secretary of Agriculture. I am using some of these things in order to explore whether the Department is using its power and authority to go down to the ASC committeemen, the community committeemen which is right down at the grassroots level—to go down to the grassroots and to coerce them into an affirmative action on the policy, a program or a law, which I do not believe they were ever set up to do. And I use this letter frankly to indicate that the top of the Agriculture Department is affirmatively urging a “yes” vote on this thing which goes to these committeemen. I do not say that Mr. Murphy does not have a perfect right to go out and support this thing, but it is pretty coercive and pretty powerful, coming from the “top banana,” to tell the little fellow down in the field that he should do that.

The CHAIRMAN. What is the coercive part of that statement, Senator?

Senator HICKENLOOPER. Coercion.

The CHAIRMAN. I mean that he states that they stand to lose several hundred million dollars which I believe they will.

Senator HICKENLOOPER. There is disagreement on that.

The CHAIRMAN. That is it.

Senator HICKENLOOPER. There is disagreement on that. The point is not so much the argumentative area, but it is the use of the ASC committees. The Senator from Louisiana, the chairman, has been in this body and has been in politics actually longer than I have.

The CHAIRMAN. Only 50 years.

Senator HICKENLOOPER. And he is perfectly aware that when the bossman lays something down like this in good terms, in terms of this kind, the little boys down at the bottom better do it or else.

Secretary FREEMAN. I have not been in this as long as you. I wish it were that easy to administer by the Secretary of Agriculture. My job would be a lot easier if I made a speech that represented the policy, and everybody did as I liked. I would get longer weekends.

Senator HICKENLOOPER. That is very true. But among this volume of infiltration of these efforts way down through, though, that is the thing that is so significant about this. It is not a question that you as Secretary announced your own particular position or program, which you have a right to do—I do not dispute that—I may disagree or agree on occasions—that is your right and it is your duty as the head of the Department to say what you think to carry out programs of the administration, but I am trying to differentiate between your responsibility and your right and the use of the authority of appointment or the power of superseding these fellows out in the counties who are set up to only administer and to help their farmer neighbors, to do what the laws says they should do, and not to coerce them into what might be called a political lobbying body.

The CHAIRMAN. You concede that Mr. Murphy had the right to say what he said?

Senator HICKENLOOPER. I made that clear three times.

The CHAIRMAN. I understand that.

Senator HICKENLOOPER. That is not the point. I am getting at two points.

First, I think the idea that has been attempted to be created that the Department itself is not going out and advocating the "yes" vote, particularly. They are only explaining. Now I do not think we need much more proof than this when the Under Secretary takes this position which the Department has a right to do.

The CHAIRMAN. Yes.

Senator HICKENLOOPER. But the second thing is what I believe to be the misapplication of the Department of Agriculture in going down to the grassroots, to the ASC committees and the community committees that, basically, were set up only to administer, and theoretically are nonpolitical or nonpartisan, at least, theoretically they are—elected by their friends and neighbors to help them administer the law as it is passed—and this has not been passed, because the referendum has not been acted upon yet, and yet they are being induced to do this by one method or another.

Now, Mr. Secretary, I have here a couple of pamphlets which have been put out by the Department of Agriculture, printed at the Government Printing Office, and one is entitled, "The Small Wheat Grower and the 1964 Wheat Program" and the other one is entitled, "The Referendum on the 1964 Wheat Program, Tuesday, May 21, 1963." I am told that these were sent, at least, to the ASC committees or the ASC committeemen with instructions to put them in the hands of every person entitled to a ballot on the wheat program. I fail to find that either of these bulletins put out on the wheat program—I fail to find any two sides to this question at all. I would just as soon put these pamphlets in the record. They take the one line that the farmers are going to lose several hundred million or a billion dollars if you do not vote "yes" on this program. There is no broad discussion of any two sides to this thing. Maybe the Department feels there is only one side, but there are a lot of people who feel that there are two sides to this. I do not believe that it is an objective presentation.

Secretary FREEMAN. I think that there can be quite a difference of opinion on that. I am quite familiar with this and I would be forced to repeat again that the protest on this comes from people who apparently do not recognize the facts and who would like to prevent the facts from being aired. The best judgment of the majority of independent thinking people and economists support the facts that are set down. I may not agree, but the best judgment we could get is represented and present in this material.

Senator HICKENLOOPER. I do not know who the people are. They are not named in there. It contains broad conclusions. There are a lot of good minds in agriculture, certainly, that do not agree with that.

Senator HOLLAND. Are you putting these in the record?

Senator HICKENLOOPER. I would put them in the record. I do not want to unduly clutter this record with superfluous things, however.

Secretary FREEMAN. It might be worthwhile if the chairman would assent to include others. There are a number of records which we should like to make available. The Department has put them out and we would be pleased to place them in the record.

The CHAIRMAN. We will let them be filed, because they are already printed by the thousands. I do not see why they should be reprinted in the record.

Senator HICKENLOOPER. Thank you.

The CHAIRMAN. You can make them available.

Secretary FREEMAN. All right.

Senator HICKENLOOPER. If we can put those documents in the record—do you have them here—we can put these two in—at the same time, just to indicate that there is a difference of opinion on this matter, subsequent to those two pamphlets, I would like to put in the record an editorial of the American Farm Bureau Federation Newsletter of April 22, 1963, contravening the pamphlets and pointing out some of the discrepancies and disagreements.

(The editorial is as follows:)

[American Farm Bureau Federation Newsletter, Apr. 22, 1963]

EDITORIAL: YOU HELPED PAY FOR THIS!

USDA last week released two information leaflets dealing with the May 21 wheat referendum. One is entitled "The Referendum on the 1964 Wheat Program"; the other, "The Small Wheat Grower and the 1964 Wheat Program."

Unfortunately, neither of the leaflets presents "all the facts" about the referendum. And both are obviously designed to discourage farmers from voting "no."

The referendum leaflet contains the assertion that wheat growers will choose between: "(1) marketing quotas with price support at \$2 a bushel on 80 percent of the normal production of acreage allotments and with diversion payments for acreage taken out of production, and (2) *unlimited acreage with market prices of around \$1 a bushel.*" [Emphasis added.]

Point (2), as described in the leaflet, is not provided in the law which authorizes the May 21 referendum. At best, it represents what Secretary Freeman and his advisers thing might happen if (1) USDA dumps Commodity Credit Corporation wheat on the market to break the price and (2) Congress passes no new wheat legislation before the 1964 harvest.

Congress has provided that choice (2) will be acreage allotments with price supports at 50 percent of parity (currently about \$1.25).

The small grower leaflet presents only two alternatives: (1) a small grower signs up for the 1964 program and takes part in it; (2) he does not sign up for the program and does not vote.

The Department leaflet does not list the third alternative available to the small grower—to sign up for the program, vote against it, and operate his farm in 1964 as he himself sees fit if the certificate plan is defeated.

The Department's new leaflets are further evidence that taxpayers' money is being spent by Government officials to promote a "yes" vote in the referendum.

This latest example of Government propaganda—designed to misinform and mislead farmers—is certain to provoke a reaction among farmers and their friends.

As the eminent agricultural economist, Dr. O. B. Jesness, professor emeritus at the University of Minnesota, said at the fifth agricultural industries forum sponsored by the University of Illinois College of Agriculture in January:

"Recent statements attributed to the Secretary of Agriculture imply that the programs he advocates are the best if not the only answer and that opposition comes from groups which he regards as recalcitrant, including a leading farm organization, business organizations, and affiliates of the Birch Society. Perhaps he has forgotten for the moment that name calling never is very convincing. The Secretary, of course, would be in a vulnerable position if he did not believe in the programs of the administration of which he is a member. In his enthusiasm, however, he may miss the point that his proposals may not be the acme of perfection which he tends to proclaim. They are not the only road available."

The CHAIRMAN. Since the Senator is mentioning the American Farm Bureau, here is one entitled, "For a Fair Farm Program, Vote No on the Wheat Referendum." April 30, 1963.

To county presidents, secretaries, and office managers:

Due to programing changes on the North Dakota broadcasting stations, one of our Farm Bureau TV shows will be seen on a different day.

The program first scheduled for Friday, May 17 (9:45 to 10 p.m.) will be seen on Monday, May 13, from 8:45 p.m. until 9 p.m.

Please note this change in your correspondence and newspaper ads, if any.

The complete schedule now for the TV shows is as follows:

May 9, Thursday, 10:45 to 11 p.m.

May 13, Monday, 8:45 to 9 p.m.

May 20, Monday, 10:45 to 11 p.m.

May 20, Monday, 9:30 to 9:45 p.m.

The first three shows are on North Dakota Broadcasting; the last one on North Dakota NBC.

North Dakota Broadcasting includes—

and they list several stations.

And then it states:

North Dakota NBC includes—

and they name the stations.

This is the North Dakota Farm Bureau and I presume it is advising the people to vote "no."

Senator YOUNG. Would you yield?

The CHAIRMAN. Senator Hickenlooper has the floor.

Senator YOUNG. I would like to state there are other no-vote-programs being carried daily on all North Dakota TV stations.

Senator HICKENLOOPER. My only comment is that the bulletin which the chairman has just read was not published at Government expense in the Government Printing Office. It was not franked out to thousands of people over this country. And as I said a moment ago, the Secretary has every right to advance his ideas. I do not quarrel with that at all. I have tried to make that clear again at the start of this hearing this afternoon. I am only quarreling with the use of the agencies down in the grassroots for political purposes, beyond the limitations of the law to which they are supposed to adhere.

The CHAIRMAN. How would you expect to distribute this vehicle that he has—how would he do it?

Senator HICKENLOOPER. I assume that there are groups that are in favor of this referendum.

The CHAIRMAN. I mean, would he not have to use people in his office to write up this data and then to send it out and have it distributed just as we do with the census service? The service sends all of this data that comes out of the Department of Agriculture.

Senator HICKENLOOPER. The chairman, apparently, is raising some criticism of the American Farm Bureau, saying that it is doing the same thing that the Department is doing, which is not the case. They are paying the bill for this.

The CHAIRMAN. Except in that regard.

Senator HICKENLOOPER. It is just a little item of I don't know how much. If it is \$900 a county and there are 2,850 counties in the United States, that is over \$2,500,000 in this promotional fund, if it goes to \$900 for every county. I do not know whether it does or not. I hope to find out one of these days if we can get to the books.

The CHAIRMAN. The purpose of referring to this was to show that the American Farm Bureau was advocating "no."

Senator HICKENLOOPER. Absolutely; that is why I say that there is opposition. There is no controversy about that. They are against it.

The CHAIRMAN. Then, probably, if the Farm Bureau had not been opposed to this program, had not been kicking up so much dust, there would not have been such a problem to have the matter adjudicated as it should be on May 21 by the voters.

Senator HICKENLOOPER. It may be the freedom of the farmer and his future as a free enterpriser could well be preserved by this controversy and by this, and by other organizations that see the restrictive and regimented parts that are inherent in this program and which will, undoubtedly, be advanced to other farm products and crops if this particular thing is successful.

Now I want to call your attention, Mr. Secretary, in connection with the interpretation of some of these activities to the Billings Gazette of April 27, published in Billings, Mont., entitled "\$900 in Federal Funds for Yes Wheat Vote," in that county.

They have some interesting comments on that.

The CHAIRMAN. Is that from a Government publication?

Senator HICKENLOOPER. No.

The CHAIRMAN. That is a—

Senator HICKENLOOPER. It is the Billings, Mont., Gazette, which interpreted the \$900 fund that was put in McCone County which I mentioned a while ago. I will not dwell on it any longer, except it is cumulative.

The CHAIRMAN. I suppose the editor of that paper is against the program?

Senator HICKENLOOPER. I think the editors of quite a few newspapers are against the program. I do not believe there is as much support for it as many of us would like to believe.

We have already discussed the instructions to the people in McCone County, which is quite an interesting revelation.

Secretary FREEMAN. I would think that the record should show that no such instructions have been proven or established. This is purely a letter, and it is totally hearsay.

Senator HICKENLOOPER. Well, I presume that the people who got the letter did not have the facility to go back here to the Department of Agriculture and find out. They probably took it on its face value, because it came out from officials of the ASC there and they undoubtedly assumed that it was, whether it is true or not. I am not going to the complete authenticity of it.

Secretary FREEMAN. I am glad that you acknowledge that it is not an established fact, along with proving that it was merely conjecture, a biased statement.

Senator HICKENLOOPER. No.

Secretary FREEMAN. By county chairmen who allegedly are so coerced by the Department that they tremble in their boots and would not dare oppose a program.

The CHAIRMAN. Is he still a member?

Secretary FREEMAN. He was and is a committee member.

Senator HICKENLOOPER. You have got your record of these protests; have you taken action here?

Secretary FREEMAN. Not that I know of.

Senator HICKENLOOPER. No?

The CHAIRMAN. Is he still a member—has he been thrown out?

Secretary FREEMAN. No. There would be no basis for throwing him out.

Senator HICKENLOOPER. I think it is easily established—the fact is easily established that the instructions went out from that local headquarters. Whether they went back up and were authorized and directed at the top, I am not certain.

Secretary FREEMAN. This is not correct. I think that we ought to be a little accurate if we are going to mention the \$900 so that there will be that—I know that you would want a factual record—that there was a discussion between a farmer fieldman and a county chairman as to certain funds that had been requested by the county. Now, the nature of that discussion and what was said seems to be very strong difference of opinion about it.

What you relate is what the county chairman said the farmer fieldman said. What they believe was said to the county chairman is quite diametrically different; and therefore, I guess in that kind of thing you take your choice, but this is, certainly, not an established fact and the record ought to show that.

Senator HICKENLOOPER. In Arizona the ASC organization there, the chairman of the Arizona ASC State committee, sent to all county and community ASC committeemen and county office managers, on the stationery of the Department of Agriculture, a bulletin on May 21, 1963—no; it was sent out on April 11, 1963—they have a date of May 21, 1963, on it. I got the date of the referendum first.

Mr. O. W. Rugg signs this. He does that apparently as State chairman. Among other things, this says:

For whatever reason, an organized campaign is being waged to coerce the wheat farmers of the country into voting no.

The issues involved are not being accurately or impartially discussed and analyzed. Misinformation, distortion, emotionalism, and all manner of pressure tactics are being employed. Whether or not the wheat farmers understand specifically why they should vote no, or whether or not such a vote would be in their own or the Nation's best interests, aren't being given such consideration.

This is in the official bulletin sent out to the community ASC committeemen, the county office managers by the chairman of the Arizona State committee.

He says further, under the heading of "Misinformation," which he referred to above:

The new act and the economic importance of wheat would make it necessary for us to assign the highest priority to the wheat program even if there were no organized opposition. Unfortunately, so much misinformation is being spread that we must work doubly hard to make the program understood.

An illustration is recounted in a news story in the Des Moines Register, March 30. The reporter, Charles Bailey, states:

"The actual text of Freeman's remarks indicates that the quote used by Shuman is not only out of context, but inaccurate. This reporter was among a half a dozen newsmen who flew from Washington and heard these speeches."

I am not too sure that is appropriate to my particular comment. [Laughter.]

Secretary FREEMAN. Please finish.

Senator HICKENLOOPER. I say—the reason I say that is that if necessary, we will get the whole statement to see whether it was taken out of context or not. This did not go particularly to the point that I was trying to make, but the whole speech, and the question of whether or not it was taken out of context or not, I think is

subject to judgment by anybody who sees it and I did not intend to go into that at this particular moment, because it is collateral to this matter.

Also, this letter on Government stationery quotes Drew Pearson's radio broadcast, March 24, which is carried at company expense in Mr. Pearson's column, apparently, at least this portion of it, which is as follows:

Well, there was a lot of protest against doctored photographs in Joe McCarthy's day, but the American Farm Bureau has now distributed an interesting doctored radio broadcast to 500 radio stations. It carries a speech by Charles Shuman, head of the Farm Bureau, with parts of a speech by Secretary of Agriculture Freeman. Secretary Freeman's voice is given in an angry, stepped-up tone, while Shuman's voice is calm and resonant.

In situations of the kind illustrated here, we will have a hard job getting the plain facts of the program separated from the emotional fog and clearly understood. But we must succeed.

This last is Mr. Rugg's statement. Mr. Shuman's voice is calm and resonant ended the quote.

Secretary FREEMAN. It is very uncomplimentary to me.

Senator HICKENLOOPER. This is a cumulative part of the practice to build up what the Department is doing and putting pressure on the people down at the grassroots.

Secretary FREEMAN. I am sure that we would disagree with that. The facts should be clearly understood. I am sure that you will not disagree with that.

Senator HICKENLOOPER. You say that I would disagree?

Secretary FREEMAN. I am sure that you will agree with that.

Senator HICKENLOOPER. That I thoroughly agree with you. That is why I say that you should be presently giving the other side of it.

Secretary FREEMAN. Really, that letter you would consider a sensible piece of work by the chairman in question.

Senator HICKENLOOPER. Well, I do not know how sensible it is. I still think that you sent only part of it and it does not discuss the other side of it.

Secretary FREEMAN. He wanted to be sure that they got the facts. He did not discuss anything.

Senator HICKENLOOPER. I think that if you read this letter, he did. That is the whole thing. Anybody votes no is crazy, is what it says.

Well, be that as it may I do not mean to go into the merits of the matter except to show the cumulative buildup of facts.

Senator PROXMIRE. Can I read that letter?

Senator HICKENLOOPER. Yes.

Senator YOUNG. I am not clear what you are trying to bring out. Do you think that the Government should explain all other alternatives?

The Government's only obligation is to explain the law? Are you advocating that the Government explain all other alternatives, too?

Senator HICKENLOOPER. I think that the ASC committees are put out there to serve the farmers and should first inform themselves as to what the law says they should do, and that is to administer the programs and legislation that has been passed.

Senator YOUNG. And explain it to them.

Senator HICKENLOOPER. Well, administer and explain the programs that have been passed. This is something that has not been passed, and they are being used for a single purpose, which is to advocate a

yes vote on this thing, and they are not given information or discussion in opposition to a yes vote. That is the point.

I am not quarreling—and again I will say I am not quarreling with the Secretary's right to support wife-beating as a public policy if he wants to do it. I am sure that he would not do it.

Secretary FREEMAN. I might follow your lead.

Senator HICKENLOOPER. Sir?

[Laughter.]

I did not get that; I did not hear what you said.

Secretary FREEMAN. I said that I might follow your lead.

Senator HICKENLOOPER. But I am not saying that he does not have the right and perhaps, as a member of this administration he may be obligated, so long as he is in his office, to support these things as an individual and as an officeholder, as a member of the administration. The ASC committees are not members of the administration; they are elected by their friends and neighbors to serve them in an impartial way and in a nonpolitical way, theoretically. That is the point I am making.

I am only doing this for the purpose of building up cumulative evidence of coercion that I believe proves coercion on the part of the Department in an area where it has no business and no right and no legal foundation.

Senator YOUNG. If the Senator will yield further, that report that you read from the Senate Appropriations Committee is one that I had a part in writing. I thought previous to that time that some ASC committeemen had from time to time been traveling from farm to farm at Government expense advocating that farmers sign up for the feed grains program and when they do this, I think it is wrong. I think that it is their obligation, however, to explain the programs in a proper way at the county and precinct meetings.

Senator HICKENLOOPER. When they go from farm to farm and advocate a "yes" vote on the referendum, are you not doing the same thing that you objected to when you said that they should not advocate signing up, but to confine themselves to explanations?

Senator YOUNG. If they went from farm to farm at Government expense, it is wrong.

The CHAIRMAN. I thought it was being done through speeches and through literature. The Senator put this in the record and I think it is an objective explanation of the wheat program with alternatives.

Senator HICKENLOOPER. I have not seen that.

The CHAIRMAN. That is the one you just handed up here.

Secretary FREEMAN. Here is one of those.

Senator AIKEN. I think that thing was done by——

Senator HICKENLOOPER. I did not offer this, but if anybody wants to put it in, all right.

The CHAIRMAN. It is just literature sent out indicating what the program is. You agree that they have a right to do that, do you not, I hope?

Senator HICKENLOOPER. I think that the Department has a right to explain its position and to advocate a program that it wants to put into effect and to assume responsibility.

Senator AIKEN. If you will yield, I think the Department has done that which they should not do; that is, telling the farmer that the price of wheat in the marketplace will go to \$1, approximately,

a bushel, in the event of a "no" vote; and are trying to tell the farmer that if there is a "no" vote, and the Congress sees fit to enact legislation which, we will say, would restore the old price for wheat, that such legislation would be vetoed.

I do not think that they can assume that, and I do not think that any of the Department people really could get a "yes" or "no" answer from them who would say they would recommend that veto.

Secretary FREEMAN. No—no one has suggested that. This would be highly presumptuous.

Senator AIKEN. Certainly it would.

Secretary FREEMAN. Of course, as I said this morning, it has been my understanding, based upon the law that passed and the congressional intent that there would be not another referendum in 1964, and the strongest expression from the leadership of Congress is that there will not be any other wheat program this year.

Senator AIKEN. I think that I discussed this with Mr. Duncan and Mr. Godfrey in the Appropriations Subcommittee, and they did not go so far as to say that they were that way. I got that impression.

Senator HICKENLOOPER. I want to call your attention to something else, Mr. Secretary.

The Twin Falls County, Idaho, ASCS committee, under date of March 26, 1963, sent out a bulletin over the signature of Mr. J. Osmer Lowe, office manager, stating:

Dear Sir: The attached bulletin was just recently received by the Twin Falls County ASCS committee. The committee sends you a copy for informational purposes.

The bulletin reads as follows, quote—

and then it sets out a story from the Des Moines Register of Wednesday, March 6, 1963, an editorial which contains arguments for a "yes" vote for the referendum, I believe.

Secretary FREEMAN. That is in Iowa, Des Moines?

Senator HICKENLOOPER. Yes, yes, it is; it is the capital of Iowa, right south of Minnesota. And you've still got the pig from the Iowa-Minnesota football game up there.

But I am going to ask the Secretary, do you know of any case where these ASC committees have sent out any editorials criticizing the referendum and asking for a "no" vote on it—have you used any Government money or franked anything out, to send out editorials on the other side of this question to the ASC committeemen?

Secretary FREEMAN. That is the first example that I know of, of an editorial being sent out. I will check it. It might well be that some county committees, obviously, are opposed to the program and have not hesitated to say so. And I would not doubt a bit that they have. I am sure that we can find some.

Senator HICKENLOOPER. The ASCS Farm News of Monroe, Mich., dated March 28, 1963, sent out a bulletin in which they spoke of the same article from the Des Moines Register, advocating a "yes" vote on this.

A couple of examples were officially these things have gone out. The only thing I am wondering about is why the ASC did not also circularize, if it is in that business, a rather penetrating article by Richard Wilson in the Des Moines Register under date of April 7, 1963, headed, "Wilson Sees Wheat Vote 'Yes' as Disastrous."

And there is a column here—I expect to use this later—I do not know as I necessarily want to put it in this record—you may have

the pleasure of having it printed, if you want to, but it is by Dick Wilson, and I think that everybody around here knows that Dick Wilson is a Pulitzer winner, an objective reporter overall.

Maybe he is not objective from your standpoint in this article, but he says that, in this article, that the farmers are going to lose their freedom—that it is the beginning and the end of their freedom if they adopt this wheat proposal, but this was not circularized by the ASC at Government expense or any other expense.

Secretary FREEMAN. If I worked to find such as were circularized as you have worked to find these, I think that I may be able to find one.

Senator HICKENLOOPER. I am using these as illustrations. I am not producing all of them. I have much more available. I am only trying to build up, at least what I hope is a prima facie case of the invasion of the ASC committees and influence on the ASC committees.

Well, I did not want this thing to be terminated until sometime next week. I have no disposition to delay these hearings now that I have canceled everything else I have and have to participate in them, so I am willing to go on and go into this considerably. There are an awful lot of things that I can bring up here that add to the cumulative body of this thing, but again I say very frankly, I am merely trying to build a prima facie case here which I believe is valid on this point.

Here is the attitude of a former Secretary of Agriculture—a reference to his attitude—that it is possible to use with some of these committees. This was taken from the files of the Tennessee Farm Bureau News of April 1, 1943, 20 years ago. It shows the attitude of field employees of the Department. It says:

Meanwhile, Secretary of Agriculture Claude Wickard sent the following telegram to the chairman of all State war boards:

"Charges have been brought to my attention to the effect that certain Department field employees have organized meetings in which they have publicly attacked organizations and individuals because of their stand on pending legislation. If there is any truth in these charges, I demand that such activity be stopped at once, and that proper steps be taken to inform such employees that any activity of this nature in which they have participated has been carried on without my knowledge or approval, and is contrary to departmental regulations. I also direct your attention to the fact that action on the part of governmental employees attempting to influence Congress on legislation in which they are directly concerned is contrary to Federal statutes.

"(Signed) CLAUDE R. WICKARD,
"Secretary of Agriculture."

A somewhat different attitude, apparently.

The CHAIRMAN. Who was that sent to?

Senator HICKENLOOPER. To the State war boards by Claude Wickard.

The CHAIRMAN. That was published, you say? What is the purpose of bringing it to the committee's attention?

Senator HICKENLOOPER. I am merely attempting to show what a former Secretary of Agriculture did.

The CHAIRMAN. But that he took a different attitude?

Senator HICKENLOOPER. That he took a very dim view of employees of the Department going into things of this kind. It probably has no great place in this.

The CHAIRMAN. Was it for the same purpose as this?

Senator HICKENLOOPER. There were no ASC committees at that time.

The CHAIRMAN. Was it to influence the legislation which is prohibited by law?

Senator HICKENLOOPER. So are the ASC committees supposed not to engage in that.

The CHAIRMAN. This is not legislation, but to carry out legislation, passed by the Congress.

Senator HICKENLOOPER. Oh, no.

The CHAIRMAN. What we are talking about now?

Senator HICKENLOOPER. No, no.

The CHAIRMAN. All right, have it your way.

Senator HICKENLOOPER. It has not been voted—the referendum has not been voted and the law has not been put on the books yet.

The CHAIRMAN. Why has it not?

Senator HICKENLOOPER. Because the referendum has not carried. The wheat legislation will not go into effect until it carried.

The CHAIRMAN. I understand that, but there must be a law enacted in order to be able to become effective through the referendum.

Senator HICKENLOOPER. That is right.

Senator YOUNG. If you will yield there, part of the old law which repealed the 55-million-acre thing, that is repealed whether or not the farmers vote “yes” or “no” along with most of the old law—no matter how the farmers vote.

The CHAIRMAN. That will be out. The Senator does not contend that if the farmers vote “no” on this that we will resort to the old law, does he?

Senator EDMONDSON. This letter here that you referred to a minute ago of April 1963, from the Arizona ASC, rather than creating a prima facie case of coercion, I believe, almost proves conclusively that there is no coercion. In this the chairman of the Arizona ASC State Committee states this:

It is our duty as employees and representatives of ASCS to provide the wheat farmer with factual information about this program. It is our obligation to him to insure that the vote he casts in this referendum (“yes” or “no”) is based on his own conclusions drawn from a thorough understanding of the issues involved.

If he goes to the polls prepared to vote “no” solely because he has been high-pressured into doing so, without being given a fair chance to form his own opinions and make up his own mind, we will have failed.

Senator PROXMIRE. Read the last paragraph.

Senator EDMONDSON (reading):

We want the wheat farmer who casts his vote on May 21 to be a well-informed person, who will vote according to his own best judgment. This is our responsibility and our challenge.

Rather than create any impression of a prima facie case as to the Department of Agriculture, it is the contrary. I think it should be admitted into the record.

The CHAIRMAN. I thought that it was put in the record.

Senator HICKENLOOPER. I thought that it was put in.

The CHAIRMAN. Without objection, that letter will be put into the record.

(The letter is as follows:)

U.S. DEPARTMENT OF AGRICULTURE,
 AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE,
Phoenix, Ariz., April 11, 1963.

To: County and community ASC committeemen, county office managers.
 From: Chairman, Arizona ASC State Committee.
 Subject: Wheat program for 1964.

MAY 21, 1963

Although Arizona is not a major wheat-producing State, I am sure all of us are aware of the significance of this date.

On that day the wheat farmers in the Nation will cast their ballots in the 1964 wheat referendum.

Normally, after having been fully informed of the provisions of a farm program through our State and county committees, the growers who will be affected by the outcome of a referendum are permitted to make their own decisions on how they will vote.

However, in this case it is not so. For whatever reason, an organized campaign is being waged to coerce the wheat farmers of the country into voting "no." The issues involved are not being accurately or impartially discussed and analyzed. Misinformation, distortion, emotionalism, and all manner of pressure tactics are being employed. Whether or not the wheat farmers understand specifically why they should vote "no," or whether or not such a vote would be in their own or the Nation's best interests, aren't being given much consideration.

This situation is summarized in the following statement from Horace B. Godfrey, Administrator, ASCS:

"Misinformation.—The new act and the economic importance of wheat would make it necessary for us to assign the highest priority to the wheat program even if there were no organized opposition. Unfortunately, so much misinformation is being spread that we must work doubly hard to make the program understood.

"An illustration is recounted in a news story in the Des Moines Register, March 30. The reporter, Charles Bailey, states: 'The actual text of Freeman's remarks * * * indicates that the quote used by Shuman is not only out of context, but inaccurate. This reporter was among a half-dozen newsmen who flew from Washington and heard the speeches.'

"The news story starts out as follows:

" 'The spectre of American farmers reduced to the status of faceless punchcards in a brainless electronic machine is being raised by the American Farm Bureau Federation in its campaign against the Kennedy administration's wheat plan.'

"Drew Pearson's radio broadcast March 24 included this:

" 'Well, there was a lot of protest against doctored photographs in Joe McCarthy's day, but the American Farm Bureau has now distributed an interesting doctored radio broadcast to 500 radio stations. It carries a speech by Charles Shuman, head of the Farm Bureau, with parts of a speech by Secretary of Agriculture Freeman. Secretary Freeman's voice is given in an angry, stepped-up tone, while Shuman's voice is calm and resonant.'

"In situations of the kind illustrated here, we will have a hard job getting the plain facts of the program separated from the emotional fog and clearly understood. But we must succeed."

The attached excerpt from a talk by Under Secretary of Agriculture Charles F. Murphy sheds more light on the issues at stake in this referendum.

You have already been furnished a good deal of material explaining the provisions of the 1964 wheat program. More will be supplied as it becomes available.

It is our duty as employees and representatives of ASCS to provide the wheat farmer with factual information about this program. It is our obligation to him to insure that the vote he casts in this referendum ("yes" or "no") is based on his own conclusions drawn from a thorough understanding of the issues involved.

If he goes to the polls prepared to vote "no" solely because he has been high-pressured into doing so, without being given a fair chance to form his own opinions and make up his own mind, we will have failed.

We want the wheat farmer who casts his vote on May 21 to be a well-informed person, who will vote according to his own best judgment. This is our responsibility and our challenge.

I know we will meet it.

O. W. Rugg.

Senator HICKENLOOPER. Whatever conclusion it provides is up to the determination of each individual.

Senator EDMONDSON. I was expressing my opinion, sir.

Senator HICKENLOOPER. What I am trying to do here, as I have said repeatedly—I think it is cumulative—as to the value of it, it is purely cumulative—of the total impact of it.

I have a copy of a speech by Raphael V. Fitzgerald before the ASC committeemen, Springfield, Ill., on January 16, 1963. I have no objection to this whole speech going in. I want to refer to certain excerpts from it as very direct attacks, apparently, on the American Farm Bureau Federation.

Senator HOLLAND. Who is this Mr. Fitzgerald?

Senator HICKENLOOPER. He is Deputy Administrator, State and County Operations, ASCS, USDA or the State executive director. I am not sure what his title is at the moment. It is of the State and county operations, of the ASCS of the Department of Agriculture. This went out over the signature of the acting State executive director, Robert J. Lowry. That is, the covering letter and it says:

To county office managers.

This is dated Lansing, Mich. Its purpose as shown here is to transmit copies of a talk by Raphael V. Fitzgerald before the ASCS committeemen, Springfield, Ill., January 16, 1963, concerning the 1964 wheat program.

And paragraph 2:

Gentlemen: Each county and community committeeman shall be provided with a copy of this address by Raphael V. Fitzgerald, Deputy Administrator, State and County Operations, ASCS, USDA, Washington, D.C.

And it does not say "should be" but states "shall be," provided with a copy of this address by Raphael V. Fitzgerald, Deputy Administrator, State and County Operations, ASCS, USDA, Washington, D.C.

Now, the excerpts that I want to refer to—and anybody is welcome to put the whole thing into the record if they want to—is as follows. It is on page 3 of his speech, the middle paragraph:

Unfortunately, our task of getting an explanation of the 1964 wheat program across to Illinois wheatgrowers is complicated by an avowed campaign to defeat the wheat program in the referendum. A large farm organization has announced it will try to get growers to vote "no" in the referendum. They need to persuade one more than one-third of the growers voting to their way of thinking to defeat the new program and bring on \$1 wheat.

This is a high official in the Department of Agriculture.

They have already started spreading misinformation about the program, befuddling the issue and generally sowing confusion. We must work twice as hard to make sure that accurate information about the program reaches the wheat farmer and is understood by him. After all, we must educate at least two-thirds of the growers if they are going to vote "yes."

I want to spend a little time looking into this opposition to the 1964 wheat program. How valid and realistic is this opposition? To my way of thinking it is both illogical and irresponsible.

That is a strong statement to make about a tremendous farm organization that has been in existence for a good many years and has devoted an unusual amount of time and attention to the study of agricultural problems.

On page 4, one sentence—

where this organization's members benefit from a farm program such as is the case with cotton, tobacco and peanuts, you should see the offices of the group rally "round the flag" whenever any attempt is made to change these control programs.

And there is a paragraph in regard to price supports which does not go exactly to this proposition. But at the bottom of page 4 of this talk there is a statement—

wheat prices would be sliced almost in half.

This is, if the program fails.

The price would drop from an average of \$1.80 in 1961 to about \$0.92 in 1965. Corn prices would decline at 20 percent—from about \$1 a bushel to about \$0.80.

The CHAIRMAN. Is that true?

Senator HICKENLOOPER. I do not know what discretion the Secretary is going to use. I do not know what his programs are. This whole situation has gotten so widely opened that I do not know how a farmer could really plan on a future at the moment until those announcements come out.

The CHAIRMAN. Well, if there is no new program the corn prices would go down to 80 cents—that is written in the law.

Senator HICKENLOOPER. I suppose.

The CHAIRMAN. It is in there.

Senator HICKENLOOPER. If the law went out of the window. The point is that I have not found any evidence at all that the ASC or the Department of Agriculture has used its franking privilege or the privilege—the personnel of the ASC committees to disseminate to the farmers, newspaper editorials and articles, and we have a number of intelligent and highly able newspaper people who do not believe that this referendum ought to be carried, but I have not noticed them scattering any of those for "both sides of the question to be presented" to the farmers who vote.

Now I have just a few more questions, Mr. Secretary, to clear up a couple of things. I have been looking at the House report and the act of 1963, and I note that the payments made directly to the farmers for 1961 were \$728 million; for 1962, \$842 million; and an estimate for 1963 of \$983 million. In addition to this, I also note that in the same report the administrative costs alone exceeds \$101 million. And as I total the list, the total amount of all of it is in excess of \$2 billion; \$2.7 billion.

I also have noted in the statements presented to the House Agriculture Committee by Charles Shuman, president of the American Farm Bureau Federation, that 90 percent of the reduction in feed grain carryover was due to increased consumption and disappearance for the 2 years of the emergency feed grain programs.

In the light of these facts what is the necessity for a continuation of this program for, let us say, 2 years more, if disappearance is occurring and the problem is being solved?

Secretary FREEMAN. Those facts are not really true and accurate as we went into considerable length with the very questions of Mr. Holland.

Senator HICKENLOOPER. The House report on feed grains is not correct?

Secretary FREEMAN. What I am saying is that the statements made by Mr. Shuman are not accurate. I do not say that they are intentionally not accurate, but I think that Mr. Shuman has been misled.

Senator HICKENLOOPER. I am talking about the other things that are from the House report, the other figures?

Secretary FREEMAN. I do not have the House report before me. I would have to check that, but on table 2 of the testimony we submitted this morning, the figures that were presented here this morning are up to date and accurate figures, and if they deviate from the House report I would have to try and explain that.

Senator HICKENLOOPER. I have the report here. I have had some concern myself about a release from your Department as to the parity ratio. I read it was—I read with some concern—it is for the March—the month of March this year and it was 77 percent. The lowest, according to official records, since 1934. It has been by conviction for a long time that the Commodity Credit Corporation grain dumping under the emergency feed grain program in 1961 and 1962 would, in addition to destroying the feed grain market also adversely affect the livestock prices, and as you well know the price of cattle has taken one of the most dramatic drops in price since last fall, in the history of the country. The price drop has been dramatic. Hog prices, likewise, have fallen badly.

Do you think that this drop in livestock prices has more than wiped out the Government payments made to farmers in the feed grains program for the last 2 years, that is, the drop in hog prices and the drop in cattle prices?

Secretary FREEMAN. If the Senator pleases, there are a number of questions and statements that I will try to respond to specifically as I can.

No. 1, happily, the parity ratio in the last month of April went up a point, so that the picture is not quite as bleak as you have painted it.

Secondly, the price received has strengthened rather than weakened. Certainly, the price of grain—

Senator HICKENLOOPER. On the parity basis, even if it has gone up a point, it is still the lowest since 1934.

Secretary FREEMAN. As of the time that would not be true under the latest figures. In any event, if this is the case, it is not because farm prices have dropped. It is because the cost of other things have gone up, because farm prices, by and large, certainly grain prices specifically in terms of the price index have strengthened. For all farm products the index for April is 242 compared to 240 for March and for feed grain 160 compared to 158 in March and 153 a year ago.

Senator HOLLAND. Pardon me.

Senator HICKENLOOPER. I do not quite agree with you.

Senator HOLLAND. What was the parity price at the end of April?

Secretary FREEMAN. As of the end of April it is 78—it increased from 77 to 78. Now, Senator, let us clear the record a little bit on the cattle and hog thing. We have had some very abnormal market developments. I would call your attention to a study made in this Department—and, if I might be presumptuous to a statement that was issued over my name on April 3—showing that between June and November the volume of steer beef produced in those few months went up 22 percent, reaching an alltime high.

I beg your pardon—I stated this wrong. Between June and November the volume was reduced 22 percent and prices went up significantly as a result of it.

Then from November to February the volume rose about 25 percent, a tremendous movement into the market.

The net result was an interim fluctuation here with an abnormally high price, and then a drop, and then a recovery.

And the feed grain program, I think, had a salutary effect in moderating this break and maintaining it as being a minor one by preventing lower cost feed. And the net result is that certainly there was no kind of dumping, because the price of grain rather than falling under the feed grain program has gone up.

And so I would be forced to say that the conclusions that the Senator reaches that the feed grain program had any relationship, causing any price break, is—are simply in error. Actually the contrary is the case.

Senator HICKENLOOPER. These—be that as it may, I think that the statisticians can go into that. I remember 7 years ago we had a slight drop in hog and cattle prices. And when it was very evident that the statistics showed that we had the greatest peak—that is, the curve in the cattle supply and the curve of the hog supply peaked at the same general time, because of the supply of animals on the market and caused a substantial depression in cattle and hogs. However, many of us thought that was a pretty basic reason for that at that time. There were a great many people in the Senate and around this committee who said that was Mr. Benson's fault—that was completely Mr. Benson's fault. He should have done something to stop that kind of handky-panky and monkey business. And he was a terrible man because it happened, but it was all Mr. Benson's fault.

We seem not to have the same kind of situation with the supply of red meat on the market at the present time when the price is down. I am not turning around and saying, necessarily, that is Mr. Freeman's fault, but I am just recalling a few historic facts to your attention.

In one it was Mr. Benson's fault under those circumstances. That is, under one set of circumstances and his programs, and so forth, which were castigated and talked about.

Secretary FREEMAN. This is related—there is no doubt but what the supply of cattle and hogs is related to the supply of feed and the maintenance of a fair and stable price in this area is important and we have maintained it. Therefore, this break has not been as severe as it might have. Hogs have not gone below 13½ cents per pound, which is not a good price, but it is a lot more than the 10 cents we had before, and steers and heifers have gone down to 21.5 cents a pound which is not very good, but it has now climbed to 22.5 cents. This is restricted only to one kind of cattle, mainly steers that went to market. There was no break in other kinds of meat.

Senator HICKENLOOPER. Are you talking about prices on the market or on farm?

Secretary FREEMAN. I am talking about the market in general.

Senator HICKENLOOPER. Well, there is a difference between what the Chicago market or the central markets are, and what the farmer gets and has jingling in his pocket which we might, for want of a better term, call "take-home pay."

Secretary FREEMAN. I understand this very well.

Senator HICKENLOOPER. I happen to be keenly aware of that every time I get a letter from Iowa from my people who are in the hog business.

Secretary FREEMAN. I have some people who are involved, too. I am concerned.

Senator HOLLAND. Will you yield for a moment?

Senator HICKENLOOPER. Yes.

Senator HOLLAND. Irrespective of what the price is of feed grains at any future time is not this matter of fluctuation in the price of meat going to be more or less uncontrollable unless we have a completely regimented program of the total supply by the Government which nobody is even willing to consider?

Senator HICKENLOOPER. They do that in a Socialist economy, they select the price.

Senator HOLLAND. Is that not one of the things that is typical of a noncontrolled independent free enterprise system?

Senator HICKENLOOPER. It is.

Senator HOLLAND. The point I am making is that unless they are going to just decide that we are going to regiment the whole economy we are going to have these ups and downs.

Senator HICKENLOOPER. Well, I did not——

Senator HOLLAND. Of course, the Senator knows that perfectly well and is strongly for the uncontrolled private economy and private enterprise approach which I also am for and most of us are for.

Senator HICKENLOOPER. I did not go so far as to charge the Secretary with all the heinous crimes, necessarily.

I was merely citing some historical information, some historical and rather inflammatory speeches that were made 7 years ago in which the economy and the economic factors were not at all blamed, but Mr. Benson was the devil in the act that was charged loud and long with malfeasance.

Senator HOLLAND. Mr. Chairman, will the Senator yield?

The only point that I was making is that this Senator does not belong in that course now and did not belong in it then because unless we are going to yield to the pressure that comes from a few directions only, to completely regiment the agricultural economy of the Nation, we are going to have these ups and downs.

Senator AIKEN. Well, may I say that the countries that have regimented their economy, including the agricultural economy, have not been bothered with surplus problems.

Senator HICKENLOOPER. No, they have not been producing.

Well, Mr. Secretary, as I carry on here, you have given a great deal of assurance to the farmer, and I am sure that we or that they have welcomed it, and the elevation of their economy.

In view of that background, how do you really account for the parity price now, parity ratio, being at the lowest, at least last Monday than it has been since 1934, when it was 71, and it has never been that low since 1934.

It was at 78—it was at——

Senator HOLLAND. Seventy-seven.

Senator HICKENLOOPER. It was at 78 in 1939. That is the next lowest.

So that if it is today 1 point up from what it was last month, from 77, it would be at 78, which is lower than it has been at any time since 1939 when it was the same amount, of 78.

How do you account for that?

Secretary FREEMAN. The only way to account for it, Senator, is that although we have managed to keep farm gross income up, and it has grown some \$2 billion since this administration has been in office, the cost of other things in the economy have grown faster and we have been able to boost farm prices with a resultant effect on the overall parity ratio.

Senator HICKENLOOPER. You keep talking about farm income.

How many people have left the farm? We have a lot less people on the farm today than—

Secretary FREEMAN. Yes, indeed, there has been in the neighborhood of 200,000 fewer farmers a year for some years.

We are trying to correct this through the rural area development program that is bringing in new sources of income and economic activity and long-term conversion programs, directed to building new economic opportunities in rural America.

And I think some of these programs are beginning to show very real promise.

Senator HICKENLOOPER. Now, as I understood you earlier, you have alleged a substantial savings under these programs, and a reduction in inventories, caused mostly by an increase in consumption of feed grains.

What is the explanation of your April 4, 1963, report?

This report from the Commodity Credit Corporation shows investments in CCC, both loans and inventories on February 28, 1963, as being \$8,445,793,604, which is in excess of \$700 million more than it was 1 year earlier on February 28, 1962, when it stood at \$7,718,496,250.

This is from the report of the U.S. Department of Agriculture of April 4, 1963.

Secretary FREEMAN. The answer to that is one word mostly: cotton.

Senator HICKENLOOPER. Is that why cotton legislation at the moment is an emergency situation?

Secretary FREEMAN. That is why cotton legislation is under very active consideration and has been for the past 6 months.

There has been a very strong campaign to lower the price of cotton and move toward the one-price system.

This would prove very disturbing both in international and domestic markets inventories. Both domestically and internationally, the inventories are at an alltime low and, significantly, increased amounts of cotton have moved into the Corporation's hands.

And this has created very real problems and some additions to corporate stocks.

This does not represent money expended. It represents a commodity on hand which will, in due course, move out but it explains these interim figures.

Senator HICKENLOOPER. So that feed grains and matters of that kind are in a comparatively better situation than cotton?

Secretary FREEMAN. Very definitely. That would show many hundreds of millions of bushels less by way of feed grains inventory.

Senator HICKENLOOPER. And I take it that you believe that it is quite of a priority of importance that we give consideration to the cotton situation?

Secretary FREEMAN. I think we have to take a hard look at the cotton situation. I indeed I do.

Senator HICKENLOOPER. And rather quickly, I would think?

Secretary FREEMAN. Yes, sir.

Senator HICKENLOOPER. That is, if it is to be helpful?

Now, in light of that, it is very interesting that this committee is taking a very leisurely view of the cotton situation and gave 10 days' time to prepare the hearings, whereas we were precipitously thrown into these hearings practically overnight in the feed grain business which does not seem to be in any particular emergency at the moment—

The CHAIRMAN. Now, Senator, I think we made it plain that this committee of Congress cannot do anything to aid the cotton farmer this year.

The legislation we have in contemplation would affect it for next year's crop but not this year's. That was made plain.

Senator HICKENLOOPER. Of course, the bill we have here affects next year's.

The CHAIRMAN. Yes, I understand that, but it also affects the wheat growers because of that clause in the wheat law that I referred to a moment ago.

Senator HICKENLOOPER. Now, in the same report, Mr. Secretary, I note that the net total cost for the Commodity Credit Corporation for the fiscal year 1963 through February 1963, was \$1,474,967,743, as compared to the same period 1 year earlier, when it was only \$1,374,431,379.

Now, again, what would you say as to why these losses are increasing?

Secretary FREEMAN. Well, this is the bunching up of the food-for-peace program, the reimbursements of the Commodity Credit Corporation, that were not voted at a previous time and then were lumped up for a number of years, causing an artificial figure at the given time and place to which you direct attention.

Senator HICKENLOOPER. Now, I note with some concern, because of its uncertainty, a provision in the bill before us, H.R. 4997 passed through the House, that you, as Secretary, have complete discretion to decide how much of the payments will be compensatory or, let's say, "Brannon" type payments, and would you agree that the bill, as passed by the House, would, for instance, permit you to set the loan rate at 50 cents a bushel and the compensatory rate at 75 cents a bushel if you wanted to?

I am not asking you whether you would or not, but I say, would it permit you to do so?

Secretary FREEMAN. I believe so.

Senator HICKENLOOPER. Would it permit you to set the loan rate at zero a bushel and the compensatory payment at 25 cents a bushel or a dollar or something else?

Secretary FREEMAN. I think so.

Senator HICKENLOOPER. You would have that discretion from zero to basically whatever you wanted to put it?

So you could go to zero if you were so minded?

Secretary FREEMAN. The mix between the acreage diversion payments and the price support payments is intentionally left rather broad for reasons that I related in response to the question from the Senator from Delaware this morning.

Senator HICKENLOOPER. Yes. Now, do you think that that complete discretion, from zero on up, is the kind of a discretion that really Congress ought to lodge in a Secretary?

Secretary FREEMAN. I think the bill contains a modest discretion when it is considered in terms of the four corners of the law, the development of this program, the new dimension to which it will move when we have eliminated surpluses.

I think the guidelines in this bill are rather sharp and clear.

The pattern of activity, under a farm program, is rather certain. The legislative history is quite clear, and it would seem to me that this is, by no stretch of the imagination, excessive discretion under the circumstances.

Senator HICKENLOOPER. Well, we have had lower limits on loans in the past many times. That is——

Secretary FREEMAN. Actually, the support price in this bill is between 65 and 90. And then the payment part in connection with that support price where previously it was 18 cents is left to the discretion of the Secretary, which is the only change.

And so this is actually not a very significant change.

Senator HICKENLOOPER. Well, would you object to them retaining it as it was originally?

Secretary FREEMAN. I think I would feel very strongly that it is important that the amount of discretion, which was the product of some very, very careful thought and review and hearings should remain as it is on——

Senator HICKENLOOPER. You mean as it is in the bill we are considering?

Secretary FREEMAN. As it now stands in the bill before you; yes.

Senator HICKENLOOPER. Well, then, it must be a significant change from the other bill?

Secretary FREEMAN. Well, that is a question of definition, I suppose. I would say it is important.

And I do not think that the increased discretion, in and of itself, is a great delegation of authority, by no means.

I think it is well within the normal congressional delegation of discretion.

Senator HICKENLOOPER. But you do advocate that this discretion be left with the Secretary as it is in the legislation?

Secretary FREEMAN. Yes, sir.

Senator HICKENLOOPER. Now, I have noticed that in the official releases from the Department, in the last few days, a statement that Federal Government payments to farmers in 1962 were \$1,700 million, and that in 1963 they would be higher.

Now, the realized net income to farmers in 1962 was \$12.9 billion. This \$1,700 million in payments is more than 13 percent of the total net realized income.

Is this a goal or ambition of the Department of Agriculture to have the farmers' net income depend upon Government payments?

Secretary FREEMAN. By no means. We, of course, are going through a difficult period because of the accumulated surpluses in grain, which this program and the wheat program will eliminate.

And there are some transition periods.

The objective is to get the Government out of the payments' business to the extent that it can be done, consistent with a fair return to agriculture and to the individual producers.

Senator HICKENLOOPER. But, actually, we are still in a position where somewhere around 13 percent of the farmers' income now is Government payments?

Secretary FREEMAN. One way or another.

Senator HICKENLOOPER. Yes.

Secretary FREEMAN. I would point out that there is \$270 million less, roughly, in the budget for storage and other carrying charges on grain for 1963 and 1964 fiscal years than was the case in the last fiscal year 1962.

And I would state this shows some pretty significant progress.

Senator HICKENLOOPER. That goes to elevator operators, however, and not to farmers?

Secretary FREEMAN. Well, a good deal of it would perhaps go to warehouses, some of it would be involved in resale payment to farmers.

Senator AIKEN. May I ask a question?

What is going to become of the idle storage space?

Can that be used for other purposes?

Secretary FREEMAN. That is a very good question. I do not feel completely competent to answer it.

We are following this and studying it very carefully, Senator.

There is a significant amount of unused storage space. A great deal of it, however, is space that was converted from other uses and some of it is going back to other uses.

Senator AIKEN. Thank you.

Senator HICKENLOOPER. Thank you, Mr. Secretary.

If you should get a compensatory payment program for cotton and dairy products you would add these payments to the ones that you are making for feed grains, or, if you did so, might not the total amount of these Federal payments to farmers soon come up to somewhere around 20 or 25 percent of their total net realized income?

Secretary FREEMAN. No; I do not think that is likely at all.

Senator HICKENLOOPER. Well, why would it not work the same way in those fields that it does in the feed grain field?

Secretary FREEMAN. Well, that is a rather wide-open kind of question.

If we are going to have a "compensatory payment" system on cotton and dairy that could be almost anything. I do not think that question is even responsive to an answer.

Senator HICKENLOOPER. Are you not planning on that?

Is not that part of the program that you are heading for?

Secretary FREEMAN. The program that has been before this committee, and that you are discussing, dairy, involves no compensatory payments, and the program that is before the House committee does not involve compensatory payments.

Senator HICKENLOOPER. But is not that a part of the philosophy that is behind the alleged or the so-called Cochrane philosophy in the agricultural program?

Secretary FREEMAN. No; I think, Senator, that you missed the point. There is no dogma. There is no set system that applies across the board to the various commodities.

We go from one committee to another commodity, based upon the particular nature and time and place of the commodity, trying to see to it that the farmer has got some muscle in the market place so he can compete with labor and industry.

Now, in one place it might be a cooperative movement. In another it might be a self-marketing program.

In the feed grain program it is a voluntary acreage diversion program.

There are all kinds of combinations. So there is no end at all here that fits all the programs that I know of. I wish there was.

Senator HICKENLOOPER. Well, I can agree with that, I think, categorically, maybe not quite in the same way that you would agree, but I can agree with the verbiage in many particulars there.

Secretary FREEMAN. I am happy that we hit a tone of mutual agreement.

Senator HICKENLOOPER. That we do not have any basically reliable farm program——

Secretary FREEMAN. I——

Senator HICKENLOOPER. I do not know that you meant it that way——

Secretary FREEMAN. I did not mean it that way. I meant——

Senator HICKENLOOPER. I will say that.

Secretary FREEMAN (continuing). We need to approach each commodity on the basis of the situation facing that commodity.

Senator HICKENLOOPER. Do you think that this is really a healthy situation to the great segment of agriculture, to have an uncertain and an indefinite program a sort of a piecemeal approach to this thing where you do not know for certain in the future what is going to happen?

Secretary FREEMAN. Well, I think the ideal world would be if we could look forward, in the marketplace, so called, that agriculture would get its fair share of the national product.

That has not been the case either in this country or in any country in the history of mankind.

That is why every country has farm programs of one kind or another, in addition to our own.

And so what we are seeking to do is work out programs that will try and give the farmer some strength in the marketplace so we will get a fair return.

And it is not easy, and it would be nicer if we would not have to have them, I suppose, but that is not the way the world goes around.

Senator HICKENLOOPER. What do you think would happen to the farmers and the agricultural plan in this country, under conditions of this kind, and their net incomes, if the taxpayers through their Congressmen, through their sectional representation, and otherwise, began really to rebel against these kinds of payments in Government subsidies and so on in the agricultural field?

Would not that be pretty disastrous for the farmer?

Secretary FREEMAN. Let me answer that question in two ways, if I may:

First of all, I do not consider these programs as subsidies to the American farmer.

If the cost of food had risen as much in this country as the cost of other things it would have represented about a \$6 billion increased cost per year to the American consumer.

So, on balance, these programs to which you refer as subsidies have contributed to a most efficient and productive agriculture and the cheapest food and the most nutritious that any people have had in the history of mankind.

So this is not a matter to weep about. It is a matter to take great pride in.

No. 2, if there were no such farm programs, if there were no efforts whatsoever to give the farmer any muscle in the marketplace, any kind of machinery through which he can work, the best economic estimates including those made by this committee would be a drop in farm prices of about 25 percent in rather short order.

I think if that happened it would have a very serious impact on our total national economy.

I think then we would have many, many casualties among producers, and that those who lasted would not necessarily be those who are the most efficient but, rather, those that had the most resources and the most power and could hang on the longest.

I think the country would suffer from it.

We would end up under that kind of a cutthroat, unfair operation with many, many fewer producers and by and large what we know as the American family farm system would no longer exist.

And we would have the kind of corporate agriculture that I think would change the face of this country and its economy and its political and economic institutions very seriously.

Senator HICKENLOOPER. Do you think the farmer is getting a fair and equitable price in the marketplace—

Secretary FREEMAN. No.

Senator HICKENLOOPER (continuing). Today?

Secretary FREEMAN. No, but we are doing our best.

He is getting better than he was 2 years ago.

Senator HICKENLOOPER. Well, I am not so sure if that is right.

Secretary FREEMAN. His net income is \$1 billion more than it was in 1960.

Senator HICKENLOOPER. Across the board? We have fewer farmers, of course.

Secretary FREEMAN. I am talking about total net income now.

The net per farmer, with fewer farmers, has gone up about 18 percent and is roughly some \$500 more than it was 2 years ago.

Senator HICKENLOOPER. As a matter of fact, many farmers have, for one reason or another or on their own volition, left the farm?

Secretary FREEMAN. There are great changes taking place, no question about that.

Senator HICKENLOOPER. Now, is it your object or your purpose or the program of the administration to see that the farmer does get his fair, equitable price for his products in the marketplace?

Secretary FREEMAN. Yes, sir.

Senator HICKENLOOPER. That would increase the cost to the consumer by several billion dollars, would it not?

Secretary FREEMAN. Not necessarily. It has not so far.

The cost to the consumer as I said in my prepared statement, has followed the overall consumer price level.

At the same time there has been a billion dollar net increase in farm income.

Senator HICKENLOOPER. But we have been putting Government payments into the farm net income of somewhere around \$1.7 billion or \$1.8 billion?

Secretary FREEMAN. Yes, sir.

Senator HICKENLOOPER. A year?

Secretary FREEMAN. And when we get through—

Senator HICKENLOOPER. So actually that more than offsets the claim of gain to the farmer——

Secretary FREEMAN. No; it does not more than offset it at all because the prices for farm products, across the board, generally have been higher in the last 2 years. Farm expenses have risen.

The payments have been geared to a transition period here, and when we eliminate the surpluses and are no longer required to pull down Commodity Credit stocks we obviously will be able to have more production by our producers which will lessen Government cost and increase farm income.

Senator HICKENLOOPER. But again, I just merely call attention to the fact that farm payments or payments to farmers, apparently according to their reports, were \$1,700 million in 1962, and the prediction is that it will be higher in 1963, which it would seem to me that in just simple arithmetic would add up to more than the alleged or what is alleged gains to the farmer's income.

Secretary FREEMAN. I have not analyzed those figures. I suspect that they are misleading figures, if applied to feed grains.

They are perhaps combining in a current year, in a calendar year, and overlapping fiscal years, and are having several of the payments from different fiscal years bunched in 1 year.

And, therefore, I want to analyze that, but I doubt very much that these are representative figures.

Senator HICKENLOOPER. Well, I am just quoting from the U.S. Department of Agriculture figures here which say that.

Secretary FREEMAN. Well, this could well be in a calendar year with advanced payments on all programs, ACP, conservation reserve, and others in total.

Senator HICKENLOOPER. It says Government payments likely will be higher than last year's total of \$1,700 million.

This is the farm income of 1963, according to the Department reporting on the farm income situation as of April 1.

Secretary FREEMAN. Well, I am not familiar with that particular analysis.

Senator HICKENLOOPER. So these are not figures that I have gotten up here. I have taken only the figures of your Department.

Well, I apologize, Mr. Chairman, for taking as much time as I have. There are a great many other things which could be brought up.

The CHAIRMAN. No apology needed. It is your privilege, sir. I am glad that you asked the questions.

Senator Proxmire?

Senator PROXMIRE. Mr. Secretary, I want to commend you for the way that you have handled the vigorous, hard-hitting, and powerful, and protracted cross-examination from my distinguished colleague from Iowa.

I think that you have held up extraordinarily well, and I think that this case which the Senator from Iowa so skillfully built on "direct coercion" impresses me with this fact.

There are, as I understand it, 1,600,000 farmers eligible to vote roughly in the new referendum?

Secretary FREEMAN. Yes, sir. Depending upon the number of small farmers who sign up to participate.

Senator PROXMIRE. And a million are expected to vote in it.

There are approximately 9,000 county ASC committeemen throughout the country, maybe two-thirds or half of whom are interested actively in this program; 80,000 community ASC members, and yet I have not heard one single instance, not one, not a single one, of any ASC man who has told a farmer that he should vote "yes."

Now, it is true that there have been some editorials sent out from one ASC level to another that advocate a "yes" vote from an Iowa newspaper, but I have not heard of a single instance of violation of the order you have given ASC personnel to provide information and not tell farmers how to vote.

And it is remarkable to me that this referendum is being conducted in this way when there are so many people involved who feel so deeply, and who have such a tremendous economic stake.

And I want to congratulate you not only on the restraint that you have exhibited but on the remarkable discipline in your Department and among your people.

They have apparently been faithful to the directions which you have given them and they have done their best to inform the farmers on what the issues are without becoming advocates.

And nothing, nothing is harder, particularly in our country, where we are so active and vigorous and proud of our political position.

We go out and say, "Vote for Freeman," or "Vote against Freeman," or "Vote for Proxmire," or "Vote against Proxmire."

But these people have been successful in maintaining this kind of discipline.

I think exhibit 15, of the Senator from Iowa's "Case for Coercion" which the Senator from Oklahoma read, certainly should be a banner exhibit on your side in this cause as he read those paragraphs.

That particular ASC official instructed other ASC officials to be very sure that they only informed farmers what the facts were, and that they let them make up their own minds. Also I want to say that I deeply sympathize with the fact that you were unable to get to the University of California to receive your degree which, I understand you had to forgo to appear before this committee.

You have to be present to get an honorary degree, and you gave it up to be here, and I am certainly grateful to you for that.

Senator HICKENLOOPER. Will the Senator yield?

Senator PROXMIRE. I will be happy to yield.

Senator HICKENLOOPER. Just for a slight amount of credit, may I say that I did not contribute to the stimulation of this meeting of this committee today which called the Secretary away. I did everything I could to postpone this hearing. It is not my responsibility you are here today.

Secretary FREEMAN. All you had to do was vote it out of committee the other day.

Senator PROXMIRE. Yes, that was my position, and Orville could have gotten his degree and the Senator from Iowa could have been about his many important tasks.

Well, enough of that. I do have a very few questions on the bill.

In the first place, you and I have disagreed, and disagreed strongly last year on the feed grains program.

I think it is clear that we have a successful, voluntary program, successful in that it increased farm income, and successful in the reduced cost to the taxpayers.

Is that right?

Secretary FREEMAN. Its success has been considerable and, very frankly, it has exceeded my anticipation.

And I would say, if you were to weigh the equities, that the Senator from Wisconsin was more right than the Secretary of Agriculture.

Senator PROXMIRE. Well, thank you, but at the same time I was wrong in predicting that if last year's feed grain bill passed that this year the Department would hold the farmers' feet to the fire and you would come in with a mandatory program this year, but I was wrong.

I want to ask about the provision which I think is the crucial provision in this bill, giving you discretion to knock that 18-cent payment down to zero.

Do you really have to have that?

Let me put it this way: If we pass this measure, is there any real likelihood that you would reduce payments to zero in 1964 or 1965?

Secretary FREEMAN. No.

Senator PROXMIRE. This is a 2-year period.

Secretary FREEMAN. No.

Senator PROXMIRE. Then, why do you have to have it?

If you are not going to do it, why put it in the law?

Secretary FREEMAN. Because we do not know. As I have tried to say before, this is going to be a very difficult thing and we are exploring some new ground when we change from seeking to get the biggest sign up we can within the cost limits, to get only so much and this is going to involve a number of variable factors and it might very well involve the mix, so to speak, between acreage-diversion payments and between the price-support payments and the flexibility accorded this will be, I think, extremely useful and important.

And I would urge that I have not abused discretion, I do not believe.

I have tried to keep tuned in with the chairman and all of the members of the committee, and would assure this committee that we would continue to do so. But I would ask, in this transition, and the Senator from Wisconsin is as anxious as anyone that this program on a voluntary basis should work as a permanent program, I would ask that we not be inhibited with restrictions as to amounts.

We would rather, for example, not have to go and allot out a certain number of acres to counties around the country. This gets to be a very large administrative difficulty and causes all kinds of unhappiness and difficulties. We had rather try to set a relationship here between amounts that might get 8 or 10 or 12 or 15 million acres, depending on what we need.

And I would ask that during this period that we be given an opportunity to work within these guidelines and see what we can work out and what it will accomplish.

The purpose is to make this a truly flexible, voluntary instrument that permanently will make it possible to always maintain only a reasonable reserve of feed grains.

Senator PROXMIRE. That is a very good answer but I still wonder if we cannot refine this.

After all, we should put some kind of guidelines in it.

It seems to me, to go from zero on up to infinity is unnecessary. Supposing we add or had a limitation of 12 or 18 cents or something like that?

Secretary FREEMAN. Well, I would only say this, Senator, that there are any number of laws where the Secretary can set price sup-

ports from zero to 90 percent, and I know of no instance where this Secretary or any other has gone to the extremes of one or the other, and this is an instance where we——

Senator PROXMIRE. That was largely permanent legislation, was it not?

Secretary FREEMAN. Well, that would be all the more reason why——

Senator PROXMIRE. And this is not permanent.

Secretary FREEMAN. And this is not permanent, and I am just asking for time to see what we can work out.

The CHAIRMAN. This applies only to direct payments and since this program has a tapering out, as he says, he is going to have to use many other gadgets in order to be able to limit it within the number of acres that he thinks are needed in order to keep the production in balance with consumption.

Senator PROXMIRE. Well, I know you have given this a lot of thought already, but I do hope between now and Friday, when we mark up the bill—is it next Friday, a week from today?

The CHAIRMAN. I do not know. We will try to do it before then, if we can, but not later than Friday.

Senator PROXMIRE. Not later than Thursday or Friday?

The CHAIRMAN. That is right.

Senator PROXMIRE. You would give this even further consideration, I hope, because it is something that troubles me.

I will vote for the bill, but I would feel a lot better about it.

Secretary FREEMAN. Well, I want the record to show that the Senator from Wisconsin has pursued this very vigorously, but I do feel strongly about it, and I hope that we will be given this much confidence.

Senator PROXMIRE. Just two more quick questions:

I notice in the House report the contrast between 1961-62's program and the one that is in effect now, that we passed last year. There is a great difference in the incentive provided for farmers to cut below 20 percent. The incentive has been greatly reduced in the program that passed last year from this year.

And the results, as I understand it from the statistics that I have been given from the Department of Agriculture, indicate that this has not resulted in as great a diversion as we had in 1961 and 1962.

Secretary FREEMAN. It is about the same as 1961——

Senator PROXMIRE. Well, it is my understanding that the percentage of farmers participating in the program dropped or the percentage of diversion on farms dropped from 42 percent to 34 percent, with 10 percent less of the land involved participating.

Secretary FREEMAN. From 1962 but not 1961.

We had nearly 28.6 million acres out in 1962.

Senator PROXMIRE. Well, that was the beginning of the program and, of course, you would not expect as much the first year.

Secretary FREEMAN. No; the first year and this year were about the same.

Senator PROXMIRE. That is right; 1963 was about the same as—we were making, it seems to me progress rapidly under the old program, and you dropped your diversion compensation.

Secretary FREEMAN. To be frank with you, we are not at all displeased with that result, Senator. We do not want to cause too great a change or distortion. This is a complicated business, country-

wide, and this is what we, if I may say so—we shot for 25 million acres.

We did not want 30 this year. We were quite accurate, as a matter of fact, in getting what we wanted.

Senator PROXMIRE. Would you not want more diversion than you got, really?

Would you not be better off if you were able to diminish the surplus a little more than you did? You were not satisfied with the surplus—

Secretary FREEMAN. No, no; but the availability of stocks and how much we can move in from Government lands smoothly, without disrupting the market unduly, and how much is in certain sites, and where it is, and how can it move, is the question.

Now, we are going to have problems. We have had some problems getting grain to the places where it is needed and when it is needed without upsetting the whole economy. So this adjustment is not one that you can just precipitously push a button on.

And we figured that 25 million for 1963 would be about what we would be able to handle.

Senator PROXMIRE. Suppose you have another bumper year, terrific weather and so forth, do you have enough flexibility so that you can encourage that increased diversion below 20 percent in the present law?

Secretary FREEMAN. Well, the sign up now in the present law is a matter of accomplished fact.

We were very conservative in our estimate in 1961 and 1962 and subsequently the amount that we were able to cut the surplus was greater than we had predicted from the number of acres.

Now, we do not know what will happen in 1963. I would guess that we are going to get more than we have estimated, but the side amount has been completely under these terms, and we are not going to get any more acres.

Senator PROXMIRE. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Mechem?

Senator MECHEM. Mr. Secretary, what are the time limits within which you can make a determination that payments will be made under this legislation?

Secretary FREEMAN. You mean in terms of the 1964 crop year?

Senator MECHEM. Yes.

Secretary FREEMAN. There is no time limit in the bill.

We have made determinations well in the advance. The only time when there was any close line on this was in 1961, when you recall we passed a quick emergency bill within weeks.

This bumped right head on into the planting season.

Other years we have made the announcements in plenty of time, and it has been to our need to do so if we are going to accomplish the objectives of reaching the farmers and accomplishing it.

Senator MECHEM. You show on your chart the production year and the disappearance year.

Are they the same period of time?

Do they cover the same period of time, calendar year, or fiscal year, or a crop year?

Secretary FREEMAN. I am going to have to get some help on that one.

The marketing year, of course, runs from October to September 30 for corn and grain sorghums and from July 1 to June 30 for barley and oats.

Now, the CCC disappearance, is that the same year?

Mr. BEACH. In the case of these particular statistics, they are shown on a marketing-year basis.

Secretary FREEMAN. All of those are on the marketing-year basis.

Senator MECHEM. Actually, the production year will precede the disappearance by 1 year?

Secretary FREEMAN. Yes, yes, that's right—for example the marketing year for 1962 crop corn is from October 1, 1962 to September 30, 1963.

Senator MECHEM. I have some questions that Senator Cooper would ask if he were here. Let me read them to you:

Have you authorized any statement by any employee of the Department of Agriculture that the burley tobacco program might be endangered if the wheat certificate plan is not approved by farmers in the May 21 referendum?

Secretary FREEMAN. No.

Senator MECHEM (continuing):

Have you heard of such a statement being circulated by any employee of the Department of Agriculture?

Secretary FREEMAN. No, sir.

Senator MECHEM. I would like to have Senator Cooper's letter, which is addressed to Senator Aiken, placed in the record.

(The letter is as follows:)

U.S. SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
May 2, 1963.

HON. GEORGE D. AIKEN,
U.S. Senate, Washington, D.C.

DEAR SENATOR AIKEN: I must go to New Haven, Conn., tomorrow for a meeting of the Yale Council. I would not ordinarily miss the hearing of our committee on extension of the feed grains program, but feel that I should go to New Haven because of the recent death of President Griswold.

I have received some reports from Kentucky about activities preceding the wheat grain referendum. I do not know that these reports are correct, but I would appreciate it very much if you would ask the Secretary of Agriculture the following questions on my behalf, during his appearance before the Senate Committee on Agriculture and Forestry on H.R. 4997.

"I have received reports from Kentucky that employees of the Department of Agriculture are circulating the statement that Kentucky farmers may lose their burley tobacco program if the wheat certificate is voted down. While I am not able to say that these reports are correct, I would like to ask the following questions:

"(1) Have you authorized any statement by any employee of the Department of Agriculture that the burley tobacco program might be endangered if the wheat certificate plan is not approved by farmers in the May 21 referendum?

"(2) Have you heard of such a statement being circulated by any employee of the Department of Agriculture?"

Thanking you, and with kindest regards, I am

Sincerely yours,

JOHN SHERMAN COOPER.

P.S. I enclose an instruction bulletin or directive from the ASCS State office to Kentucky County ASC committees, which may be of interest to you.

U.S. DEPARTMENT OF AGRICULTURE,
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE,
State Office, Lexington, Ky., April 23, 1963.

To: Chairman and office manager, county ASC committee.

From: Homer V. Yonts, acting State executive director.

Subject: Meetings to discuss wheat questions and wheat referendum.

Meetings have been scheduled as outlined on the reverse side of this letter for the purpose of discussing wheat questions and the wheat referendum. These meetings will last one-half day. They will start promptly at 9 a.m. and 1:30 p.m., local time. All members of the county committee, office manager, and one clerk should attend.

Bring all questions that you have on wheat, also be prepared to give a report on the progress being made in getting MQ-24's signed by the small operator.

All meetings will be held in the county ASCS offices with the exception of the one at Kentucky Dam and it will be at the Kentucky Dam Village and the meeting in Lexington will be at the State ASCS office.

Senator MECHEM. That is all.

The CHAIRMAN. Senator Edmondson?

Senator EDMONDSON. I just want to join with the Senator from Wisconsin in complimenting the Secretary on the job that he has done. It has been particularly outstanding.

I frankly do not know whether there has been any coercion on the part of any wheat farmers as to how they should vote.

I certainly can agree with the Senator from Wisconsin that nobody—I mean, it has not been proved today that there has been any coercion whatever. I just cannot see it at all.

I would like to ask one question for the purpose of information, Mr. Secretary.

What is in the 1962 act for the support price of wheat if this referendum fails?

Secretary FREEMAN. The price support for those who comply with acreage allotments will be 50 percent of parity as of July 1, 1964, which will be about \$1.25 for those who comply with acreage allotments.

Senator EDMONDSON. If it fails then it is my understanding, from your testimony this morning, that your position as Secretary is that Congress has already expressed its intent in this regard when the 1962 act was passed, and if the wheat farmers turn it down then the price should go to that rather than have original legislation on this?

Secretary FREEMAN. This, I think, was clearly expressed by the Congress and the opportunity would be given to see what happens.

With an opportunity under the referendum, under the law of 1964, when the results are in, the opportunity would be given to see what happens.

And I presented this bill with this in mind, that the Congress gave strong expression in connection with that, and I think that that congressional intent over that period would be carried out.

Of course, the Congress is free to do as it sees fit, and it is not my place or time to tell them what to do, but this is my intention and I certainly have no intention to recommend any other wheat legislation.

Senator EDMONDSON. Because of the fact that you think that the Congress has already expressed its intention?

Secretary FREEMAN. Yes, sir. Yes, sir.

Senator EDMONDSON. I think that is all, Mr. Chairman.

The CHAIRMAN. Well, Mr. Secretary, should this referendum fail, what percentage of the acreage do you think the farmers will have to plant so as to obtain this \$1.25?

Secretary FREEMAN. Well, the best estimate that the people that we brought in and asked to review this together, was that there would be about 70 million acres of wheat planted and probably about 65-plus million acres harvested; that there would be about 1.5 billion bushels of wheat produced.

This would be about 300 million bushels more than we will know what to do with, and that amount on the market would have a serious depressive effect, and the best judgment would be that it would end up somewhere in the neighborhood of a dollar for wheat, depending on where you are around the country.

No one can be sure how many farmers might choose to take acreage allotments at \$1.25 in wheat.

I would say, based on my contacts with them, that that would be relatively true, that this is not a very desirable program particularly because in many places of the country the most desirable use of the land is wheat, and that, in my judgment, they are going to get into it and produce every bushel and every kernel of wheat that they can, and that this will be the net result.

The CHAIRMAN. I am inclined to agree with that.

Are there any further questions?

Senator HICKENLOOPER. I have just two quick questions, Mr. Chairman, and then I will be through.

The CHAIRMAN. Proceed.

Senator HICKENLOOPER. Now, Mr. Secretary, do I understand you to say, as Secretary of Agriculture, that the ASC committeemen and the community committeemen are not directed by the Department of Agriculture or the Secretary to get out and work for an affirmative vote on the wheat program?

Secretary FREEMAN. No, sir. The direction of the Secretary of Agriculture to the ASC organization is to make an explanation of the issue and the results that will flow from a "yes" and "no" vote.

Senator HICKENLOOPER. Does that mean that they should give full exposition and explanation of both sides of the argument so far as the wheat referendum is concerned?

Secretary FREEMAN. I think that is explicit in what I just said; yes, sir.

Senator HICKENLOOPER. And if the ASC committeemen or community committeemen either or directed to or requested to, by their superiors, get out and work only for a "yes" vote in the wheat referendum, is that contrary to the Department of Agriculture's policy?

Secretary FREEMAN. It would be contrary to the instructions that I have given which are to inform and to elucidate, if you will, the wheat farmers.

Now, you must realize that these county committees and community committees, these men are elected; that they work only relatively brief times, and that obviously the amount of our control or the control that the Secretary has on them is limited.

We set down the policy in this case and, as far as I know, it has been carried out.

Senator HICKENLOOPER. And, therefore, it is not a part of the duties of the ASC committeemen, as committeemen, to get out among the farmers and work for or advocate an affirmative vote on the referendum.

Is that correct?

Secretary FREEMAN. That is correct, and it is their duty to go out and to inform the wheat farmers as to what the issues are.

Senator HICKENLOOPER. I see. And they have just as much an obligation to disseminate reasons for objecting to the referendum as they have to disseminate the reasons for supporting the referendum?

Secretary FREEMAN. They are available to answer any questions that are directed to them and it is a part of their duty to do so, and to disseminate fair and accurate and honest information in connection with the referendum.

Senator HICKENLOOPER. On both sides of the question?

Secretary FREEMAN. As to what the alternatives would be, from a "yes" vote and a "no" vote, that is correct.

Senator HICKENLOOPER. And if they present arguments in favor of a "yes" vote they would also be equally obligated to present the arguments of those who oppose it for a "no" vote.

Is that correct?

Secretary FREEMAN. They are not to campaign on either side, either for a "no" or a "yes," but to present the information.

Senator HICKENLOOPER. On both sides?

Secretary FREEMAN. On which a decision can be made.

Senator HICKENLOOPER. On both sides?

Secretary FREEMAN. Well, when you say "on both sides" there is the question of what you mean.

The results from a "yes" or a "no" vote, according to the best analysis that you can make and the facts that you can make available.

Senator HICKENLOOPER. Well, the fact that I am getting at, which you are well aware of, of course, is that we have some examples here where they have been zealous in circularizing editorials and articles solely devoted to the presentation of the "yes" arguments.

But I know of no instance where the organization, in counties, or any place else, has circularized editorials in local papers or literature presenting the opposition side.

That is the point I am getting at.

And I just wonder what the obligations are.

I think you have answered the question.

Secretary FREEMAN. All right.

The CHAIRMAN. Any further questions?

Well, Mr. Secretary, I wish to thank you for being here with us today. I am sorry that you were not able to go to California, sir.

Secretary FREEMAN. Not at all, sir. Business comes first.

The CHAIRMAN. But I understand and, as was said by Senator Proxmire and others here, you have been very patient and direct with your answers and, as usual, answered them as you thought best.

Secretary FREEMAN. Thank you, Mr. Chairman.

The CHAIRMAN. The committee will stand in recess until Monday at 10 o'clock.

(Whereupon, at 4:08 p.m., the committee recessed, to reconvene at 10 a.m., Monday, May 6, 1963.)

FEED GRAIN ACT OF 1963

MONDAY, MAY 6, 1963

U.S. SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D.C.

The committee met, pursuant to recess, at 10 a.m., in room 324, Old Senate Office Building, Senator Allen J. Ellender (chairman) presiding.

Present: Senators Ellender, Johnston, Talmadge, Jordan of North Carolina, Neuberger, Edmondson, Aiken, Hickenlooper, Cooper, and Mechem.

The CHAIRMAN. The committee will come to order.

Congressman Findley, you will be heard.

Mr. FINDLEY. Thank you, Mr. Chairman.

STATEMENT OF HON. PAUL FINDLEY, REPRESENTATIVE IN CONGRESS FROM THE 20TH CONGRESSIONAL DISTRICT OF THE STATE OF ILLINOIS

Mr. FINDLEY. Mr. Chairman, I have served on the Committee on Agriculture of the House of Representatives since first consideration was given to the feed grains programs back in February of 1961, and therefore I have had occasion to follow closely since that date. I have made it my special business to try to assess both the accomplishments and the cost of the programs.

Beginning February 29, when my office received a memo from the Secretary of Agriculture dated February 28, and I am sure the same memorandum went to all Members of Congress, including members of this committee, I became very alarmed at what appeared to be an effort to mislead the Congress on facts about the feed grains program. Since that date I have had a number of communications from the Secretary in regard to the facts concerning the feed grains program and they are at such great variance with what I have been able to learn from the Research Department of the Department of Agriculture that I have reached the conclusion myself that the Secretary simply isn't a reliable source of information, I think it is in the interest of the members of this committee to try to clarify these facts before this program gets another 2-year lease on life.

The CHAIRMAN. Were you against the program in the——

Mr. FINDLEY. Yes, I was.

The CHAIRMAN. You have been against it for how long?

Mr. FINDLEY. I have been critical of this program since the——

The CHAIRMAN. Did you ever vote for it?

Mr. FINDLEY. No, sir.

The CHAIRMAN. So, you have been against it ever since it started?

Mr. FINDLEY. That is true. And I might add, Senator, to that—my home State of Illinois, I believe, receives payments of some \$87 million under this program, direct payments to farmers. My home district is a rural agricultural district which is commonly regarded as a feed grains district so I am speaking of a program which bears directly upon my home district. In one sense of the word, I am talking against a program which has been sending checks into the homes of farmers by the thousands in my district. So, I believe I can be accorded the position of being objective, at least I am not seeking to stop spending—a spending program which doesn't affect my district.

The CHAIRMAN. Well, you have made quite a serious charge against the Secretary, that he has misrepresented the facts before this committee—

Mr. FINDLEY. Yes, sir.

The CHAIRMAN. I wish you would clarify that, if you can.

Mr. FINDLEY. Fine. That is why I'm here. I'll do my best.

The memorandum of February 28, I have the original copy which I received, and the story it purported to tell was that the effect of the wheat and feed grains program was a reduction in stock of 1.077 billion bushels and that savings resulted amounting to \$246 million less for carrying charges than would have occurred by 1964 if the pre-1961 programs had been allowed to continue. Now, one effort I made in trying to determine the facts was to contact the Economic Research Department of the Department of Agriculture, headed, I believe, by Mr. Schnittker and he supplied me with this table which shows Commodity Credit Corporation holdings as of different dates since the calendar year 1960 for all the commodities which at any time have been under the feed grains programs.

Now, the only provable reduction is corn stocks, for example, by taking proper related figures, at the beginning of each marketing year shows a cutback of 371 million. Admittedly the Secretary based his claim of approximately 1.1-billion bushel cutback in total feed grain partly on estimates for the current year, but there again in the estimates that had been supplied by—

The CHAIRMAN. But yours is corn only?

Mr. FINDLEY. Yes, I have the other data.

The CHAIRMAN. And his is of corn and other feed grains?

Mr. FINDLEY. Yes, sir. By totaling together all of the feed grains under the program we come up with 437 million cutback, converting grain sorghums, for example, to the corn equivalent.

The committee report of the House, page 9, shows the stocks, the carryover stocks for 1961 and the estimated carryover stocks for 1963 at these levels and they total 3.2 billion bushels at the beginning of the 1961 marketing year and 2.3 billion bushels at the beginning of the 1963 marketing year.

Now, so even taking official Department figures which are partly estimates but they are Department figures, you come up with not a 1.1-billion-bushel cutback or a 1.3-billion-bushel cutback as the Secretary has claimed on various occasions, but you come up with approximately 900 million bushels cutback which is considerably less than the 1.3-billion-bushel cutback which he has claimed.

Now, I don't have—

Senator JOHNSTON. Isn't it true that if the old law stayed in effect, it would increase it and you would have a greater surplus on hand than you had then?

Mr. FINDLEY. Well, of course, it is possible, but if we try to run our programs on speculation as to what might have been if the old and unwise program were continued, if the only alternative to that is this program, then certainly I think this would be worth a try. But our experience with the feed grains program for 3 years clearly indicates it has risen steadily in cost each of these 3 years and yet the results, even the results claimed by the Department itself, have consistently gone down. It looks like even if it were a good program in the first year and proceeding along the right channels and getting results then, still something has gone wrong in the meantime. I think it is in the interests of the taxpayers to hold up on this until we find out just what has gone wrong.

The CHAIRMAN. Do you know what the carryover was at the beginning of this program?

Mr. FINDLEY. I am sure I have it here.

The CHAIRMAN. That is of corn and other feed grains because our attack is against that.

Mr. FINDLEY. Let's see. I have the committee report which shows these carryover stocks in 1961 which would be the date preceding any effective results from the feed grain program showing corn at 2 billion bushels. Is that the figure that corresponds with what you have, Mr. Chairman? Oats at 325 million, barley at 153 million, and grain sorghums at 702 million, bringing a total of 3,180 million bushels in the carryover inventory.

The CHAIRMAN. Have you got it in tons or bushels?

Mr. FINDLEY. Let's see. If you refer to page 9 of the committee report, these are in million bushels.

The CHAIRMAN. Well, now, the data that I have before me shows that the carryover in 1961 when this program started was 84.7 million tons and the next year it was 71.8 million tons, and for 1963, 61 million tons, thereby showing a difference of 23 million tons less. Do those figures—

Mr. FINDLEY. That is correct.

The CHAIRMAN. Do those figures correspond with yours?

Mr. FINDLEY. Yes, that is right.

The CHAIRMAN. Now, how do the figures of the Secretary of Agriculture differ from what we are talking about now?

Mr. FINDLEY. Well, he has claimed that the cutback has been 1.3 million bushels.

The CHAIRMAN. Do you know how he reaches that figure?

Mr. FINDLEY. I have no idea, and—

The CHAIRMAN. Well, that is on production that would have been made, Senator Johnston has tried to point out, had there been no program and you certainly—

Mr. FINDLEY. No.

The CHAIRMAN. And it is certainly logical to take that into consideration.

Mr. FINDLEY. If you will pardon me, Mr. Chairman, the figures here relate not to the production of feed grains which might have occurred but rather to the stockpile levels, the carryover levels. Now, we don't have actual facts as of the end of 1963. We have to

go by Department estimates which I am glad to accept. I have no way to dispute them. But if we take the Department estimates for the level of carryover stocks at the end of this year, the Department itself, and I base it on the Committee on Agriculture report which covers the Feed Grain Act of 1963, it shows 2.3 billion bushels compared with 3.2 billion bushels before, a difference of 900 million bushels, not 1.3 billion as the Secretary repeatedly has averred.

Senator JOHNSTON. I believe you do agree that this program has reduced the amount of surplus, is that right?

Mr. FINDLEY. I agree that our holdings have gone down. I don't think it is really fair to say that the cutback in stockpiles results even in major degree to the program. The increased utilization, the increased giveaway to foreign countries, has had a very great effect and in fact, on page 39 of the committee report, there is an analysis of the effect of the increase in disappearance or utilization on the 1961 and 1962 crop years and that shows I think rather clearly and fairly that the reduction in feed grain stocks which can be properly ascribed to the program itself is about 2.2 million tons, and not the 23 million tons which was the actual cutback in carryover.

There are many factors and, of course, if you find ways to sell or give away the grain during these intervening years, those factors are just as important as the effect of the program itself in reducing the number of productive acres.

Senator JOHNSTON. We have been working on that in past years, too, have we not?

Mr. FINDLEY. Yes, sir; we have, and with not very good results, I might add. And I am not advocating going back to the 1958 program as it was then on the books.

Senator JOHNSTON. But you do think it is better, then, in the last 2 years.

Mr. FINDLEY. The level of carryover stocks is better but the outlay for farm programs has risen so sharply and so steadily that I think we all ought to put a question mark on whether or not we are involved in worthwhile programs.

Now, if we compute the cost per bushel for the cutback in feed grains which was achieved in 1961 and 1962, and giving here a fair allowance for the increase in utilization, the cost per bushel is nearly \$8 for each bushel cut back in stockpiles that we achieved. When we realize that corn is worth only about a dollar a bushel on the market, that is a pretty high price to pay.

Now, I made an analysis of the——

Senator JOHNSTON. How would you analyze it when it is building up a surplus and we are paying out a large amount of money also, then?

Mr. FINDLEY. Well, I am certainly critical of that approach, too, and I think we had a very unrealistic floor on price supports in the 1958 program. Among the things which this committee might consider as a more economical way to meet this problem is to revive the 1958 program but to either reduce or eliminate the 65-percent parity floor on price supports. The formula in the 1958 program never had a chance to go into effect because of that floor. Farmers were guaranteed approximately \$1.05 for every bushel of corn they raised and they found pretty effective ways to increase their yield just as they have under this program.

Another thing that I think is astonishing in the program for the 1963 year, and here again I am using the estimates of the Department.

of Agriculture, first of all is the sharp falloff in the stockpile reduction that is expected to be achieved by the program this year compared with 1962.

Now, last year the cutback in stockpiles was about 11 million tons. I want to preface that statement by saying that I don't believe that you can properly say that that 11-million-ton cutback was due to the program. There are other factors, the increased giveaway, the increased feeding of livestock, but the cutback did occur.

Now, this year even though we are spending an estimated \$141 million more, we expect to get somewhere between 2 and 3 million tons in cutbacks, just a fraction of the cutback that occurred last year, and if you try to express the cost of the cutback in 1963 in dollars and cents for each bushel achieved, and assume that the program itself was fully responsible, the cost is over \$8 per bushel. So it is going to cost the taxpayers this year about \$8 per bushel to get rid of a dollar's worth of the corn in our surplus stocks.

Now, another way to assess the effectiveness or lack of effectiveness of the feed grain program is by using the yardstick of total production of feed grains.

One of the objectives of this program was to cut back in the level of production. If we take the average production of feed grains which are under the program, back in 1959 and 1960, which are the base years, we come up with a total of 152.6 million tons as the average production of feed grains before this expensive program started. Now after we have spent approximately \$3 billion and 3 years, the production of feed grains is down only 1 million tons by Department estimates.

One million tons is about 37 million bushels. If you figure out the cost per bushel using that yardstick, you come up with almost \$27 in tax money that it is being spent this year to achieve this cutback in production.

The CHAIRMAN. Now, Mr. Findley, is it your view that if there had been no program beginning in 1961, that the production of corn would have decreased?

Mr. FINDLEY. If there had been no program at all or if the old program had been on the books?

The CHAIRMAN. The old program. The one that we changed.

Mr. FINDLEY. In that event would there have been an increased production in feed grains?

The CHAIRMAN. As in past years. Would you expect it?

Mr. FINDLEY. I would doubt it.

The CHAIRMAN. You would?

Mr. FINDLEY. Because the farmers would not then have a guaranteed price for which to produce.

The CHAIRMAN. Well, they had a guaranteed price before.

Mr. FINDLEY. I thought the hypothetical question was if no program existed whatever.

The CHAIRMAN. I am talking about the old program.

Mr. FINDLEY. If the old program existed.

The CHAIRMAN. Yes. Because the record shows here that from 1955 stocks rose from 1,165 million—on corn only—1,165 million; in 1956, 1,419 million; in 1957, 1,469 million; in 1958, 1,524 million; in 1959, 1,787 million; in 1960, 2,008 million; and in 1961 when this new program went off, instead of going up, it went down 1,640 million.

Senator JOHNSTON. You said a few moments ago——

The CHAIRMAN. And in 1962 it went down 1,300 million.

Now, how can you argue what you are saving there? In other words, if the same trend had taken place?

Mr. FINDLEY. You mean it went down compared to what it would have been or might have been if the old program had been in effect?

The CHAIRMAN. In other words, if the old program had been in effect in 1961, instead of having stocks at 1,640 million—I don't mean production. Excuse me. Strike that. You would have had on hand in 1960 2 billion and if the program that we started had not been adopted, and the current program that preceded this would have been effective, your estimates would have been 2,210 million for 1961, for 1962, 2,550 million. So that if you deduct, let us say, from 1962 the 1962 figure of 1,300 million, you have there 1,250 million more than you would have had.

Mr. FINDLEY. I will grant, Mr. Chairman, that our stocks might have continued to rise.

The CHAIRMAN. They would have continued basing yours on the past.

Mr. FINDLEY. Right.

The CHAIRMAN. And you have had good weather and your production continued to be high.

Senator JOHNSTON. He made that statement a few moments ago, didn't you?

Mr. FINDLEY. That is right. I did. Indeed I did. I said I had felt the 1938 program was unwise. Not the basic formula. I think there is a great merit in crop loans at 90 percent of the latest 3-year market average. Where the program got in trouble was the unrealistic level on price supports. In effect we were guaranteeing to all farmers about \$1.05 a bushel for corn.

The CHAIRMAN. Have you anything else to add?

Mr. FINDLEY. Yes, sir.

Senator HICKENLOOPER. Mr. Chairman——

The CHAIRMAN. I have a few more witnesses here. All right.

Senator Hickenlooper?

Senator HICKENLOOPER. I just want to refer Representative Findley to the testimony which Mr. Beach gave here on Friday with regard to estimates of stocks, production, and so forth, in this program. I don't know that—you probably haven't had a chance to read this transcript.

Mr. FINDLEY. No, sir.

Senator HICKENLOOPER. Mr. Beach of the Department says—Senator Holland asked him:

Are these estimates based on the average production in the specific years per acre for the whole acreage used in the production?

Mr. Beach said:

No, sir. We can give the details that back up the estimates. What is referred to is the yield practice; in this connection the estimates are based on the assumption that one-third of the increase in yields that have occurred had been due solely to the program; one-third has been due to the weather; and one-third has been due to the trend in yields which will continue whether you had a program or not.

In other words, the increase in technology, more advanced knowledge of fertilizer, seeds, and so forth. To repeat, one-third of this yield is as a result of the feed grain program; one-third is attributable to the weather.

And so on. He went off onto some other subject there.

Have you been into that end of the program?

Mr. FINDLEY. I am glad to hear about that testimony and I have high regard for Mr. Beach and I am sure that what he says is a fair estimate based on his own vast knowledge. He has been eminently fair in pointing out that only a portion of the cutback achieved can properly be ascribed to the program itself, and I think that we need to keep that in mind as we try to figure out how much if anything we have gotten for our money under this program.

Senator HICKENLOOPER. I take it that if we take a comparison of the greatest productive year we have had since, I don't know, maybe 1897 or some place along in there, which was a couple of years or so ago on feed grains, if we take that yield and then take the reduced yield in the next year due to weather, climate, and so forth, we can't necessarily credit the reduction in stocks, and so on, to the program.

Mr. FINDLEY. How true.

Senator HICKENLOOPER. The weather has a lot to do with it. By the same token, increased yields can be attributed very often to increased technological use of the fertilizer and things of that kind.

Mr. FINDLEY. Senator, one of the statements that Secretary Freeman used repeatedly in trying to sell a new 2-year lease on this program to the House was that it has benefited farm income about 10 percent. Well, the fact brought out by Professor Schultz of the University of Chicago, quite an eminent farm economist, was that although farm net income rose \$1.1 billion between 1960 and 1962, the direct payments to those same farmers went up even more.

Senator HICKENLOOPER. \$1.7 billion I think the record shows for direct payments.

Mr. FINDLEY. So if you make a fair and proper adjustment for the handout feature of the program, the direct payments to farmers, the adjusted net income is even less than it was when the program started.

Senator HICKENLOOPER. That was covered in the hearings on Friday, but perhaps not sufficiently.

Mr. FINDLEY. Then when you also realize that after about \$3 billion worth of spending under 3 years of the feed grains program, our level of production of feed grains is only down a tiny amount, I think we can all have some doubt as to whether we really have a good thing that deserves another 2-year extension.

The better measurement for farm prosperity than just simply a figure on net farm income is the relationship between the price farmers have to pay for what they need and what they get for their commodities, called the parity ratio. Last month it was 77 compared with 81 before these programs began. The parity ratio is down, not up. So I don't see how we can really take——

Senator JOHNSTON. What solution do you have, then? You are criticizing a program that we are considering. What program do you have that will reduce the surplus and get down——

Mr. FINDLEY. I appreciate the question. There are three possibilities that I would like to have the committee give some consideration to.

First, is what might happen if you pass no law this year but make a modification in the law which was passed last year, and I am sure with the votes of some members on this committee, the so-called program for 80 percent of the 3-year market average. Now, that in

my opinion is not the ideal approach, but I believe it would result in a worthwhile adjustment, and if the Secretary could be effectively restrained from dumping Government holdings on the market to discredit that program, I think it would get us back on the right track promptly and without any serious adverse effect upon the feed grains farmers. That is one possibility.

The CHAIRMAN. How would you modify the 50 percent?

Mr. FINDLEY. Well, I would modify it by making the crop loans at 90 percent of the 3-year average. This provides 80 percent.

The CHAIRMAN. You have advocated the Farm Bureau program—

Mr. FINDLEY. I—

The CHAIRMAN. I say that is what you are advocating.

Mr. FINDLEY. No. I have never introduced their specific bill. But my thinking is along that line because the Farm Bureau believes in the marketplace system and I do, too, and obviously Secretary Freeman has some doubts about that.

The CHAIRMAN. All of us believe that, but we haven't been able to attain it somehow.

Mr. FINDLEY. Well, I mentioned one possibility and that is to do nothing this year but perhaps make a modification to restrain the authority of the Secretary through dump Government holdings on this relatively unprotected market.

Second would be to consider going back to the 1958 program but doing something about the unrealistic level of price supports in this program. The 1958 program was given a trial. I think it would work and it doesn't involve the expensive direct payments or, as a matter of fact, any expense of land retirement. It simply provides for the support of prices in relationship to market prices, support in the form of crop loans.

Another possibility is the plan that I myself have advocated—

Senator HICKENLOOPER. That, Mr. Findley, would be a simple program.

Mr. FINDLEY. Maybe that is its weakness.

Senator HICKENLOOPER. Well, I contend that is its weakness. It is not very complicated and quite simple and wouldn't require so many employees to look around it, and so on.

Mr. FINDLEY. I guess that is why it is unrealistic.

Senator HICKENLOOPER. One of the difficulties of the program is its simplicity.

Mr. FINDLEY. We have never had the 1958 program. I think that is something that ought to be underscored.

Senator HICKENLOOPER. That is true.

Mr. FINDLEY. And I think it deserves a trial and by any fair estimate it would cost a lot less than the one we are involved in now.

Another possibility is to sell back the Government stocks to the farmers themselves at an attractive price in exchange for short-term land retirement. That is a proposal I have made repeatedly. The farmer would be marketing Government surpluses. He would be serving as a jobber for the accumulated surpluses. We wouldn't have the danger of the Secretary having such vast control over the marketplace. We would convert our unwanted Government stocks into cash and be able to get back on a marketplace basis in about 2 years. It would be just a tiny fraction of the cost here. As a matter of fact, it would yield money to the U.S. Treasury rather than taking money out. This would be happy news for the farmer.

But my purpose in coming here today was not really to sell my own ideas but to point out what seems to be going wrong in the feed grains program. We are spending almost a billion dollars this year in direct payments, up about an estimated \$141 million over last year, and yet we are getting less cutback in acreage by 3 million acres. We are spending more but the results are down. I think we ought to find out why that is true. It ought to be possible to get Department witnesses in here who can verify exactly what the cutback has been in stockpile, why we haven't achieved a cutback in total production, and what the real effects of this program on farm income are. And I think we have plenty of professional talent in the Department to accomplish this.

The CHAIRMAN. All right. Thank you, Mr. Findley.

Senator AIKEN. I would like to ask him a question. I imagine that this committee will report out a feed grain bill—that is my guess. But suppose we add to that some cotton provisions and dairy provisions. Do you have any idea of what the attitude of the House might be?

Mr. FINDLEY. Well, they were very much opposed to the so-called cow quotas and the jail terms for dairy farmers. If that sort of a bill would be added to it, I don't think it would be too well received. The bill now before you passed the House by a very narrow margin.

Senator AIKEN. Of course, I don't go along with you that the Secretary is dumping Government-owned commodities on the market too fast in all respects because he seems to be holding assiduously onto most of the butter which has been acquired in the last year and a half; at least he is still holding onto 300 or 400 million pounds of butter. I believe he has shipped 8 million pounds overseas for relief purposes but during the same period of time they shipped about 500 million pounds of soybean oil. So I don't think he has been too hasty in disposing of the butter surplus.

Mr. FINDLEY. Well, that is certainly true.

I would like to mention to the committee that the March 12 issue of the Congressional Record contains a full review of the facts as best I could determine them on the cost of this feed grains program and on the actual level of stockpiles.

Senator AIKEN. About \$5 a bushel? Has that been the average cost of reducing the feed grain supply?

Mr. FINDLEY. The lowest estimate, by giving all the possible advantage to the administration, is \$2.14 per bushel which is about twice what the corn is worth. And the highest estimate, of course, based on the amount of reduction in production that is going to be achieved this year compared with the base yields of 1959 and 1960 is \$27 per bushel.

Another thing that I think the committee ought to—

The CHAIRMAN. I thought you said \$8 a while ago.

Mr. FINDLEY. No; \$27.

The CHAIRMAN. Dollars.

Mr. FINDLEY. Yes, sir.

The CHAIRMAN. Per bushel?

Mr. FINDLEY. Per bushel. You see, the reduction in our production of feed grains in this year 1963 by Department estimates is 151.6 million tons. The average of the 2 base years, 1959-60, was only 1 million tons more, or 37 million bushels more. You divide 37 million bushels into the level of direct payments only you get

the \$27 figure. If you add the other costs of the feed grains program which is about \$200 to \$300 million more than the direct payments, of course, the cost per bushel would be up over \$30 a bushel. Bear in mind that corn is worth about a dollar a bushel.

Senator AIKEN. Now, you are from a State that produces feed grains and wheat. What in your opinion is going to be the effect of making feed grain and wheat plantings interchangeable?

Mr. FINDLEY. Well, I think it will have an adverse effect on feed grain farmers because undoubtedly part of the production of wheat will go into competition with corn.

Senator AIKEN. Will farmers plant feed grain land to wheat and then put it under loan at \$1.30 a bushel as the Secretary said they would be eligible to do?

Mr. FINDLEY. That would certainly add to the cost of the program. A strange thing that appeared repeatedly in the communications of Secretary Freeman to myself and to other Congressmen was the rate per bushel that he obviously used to try to compute the savings which occurred as a result of this program. He said, for example, that the stockpile had been reduced 1.3 billion bushels resulting in savings of about \$900,000 per day.

Now, I did some pencil work and figured out what that meant in carrying charges and storage costs for a bushel per year and it figures out to 26 cents.

Now, Secretary Freeman has frequently criticized commercial warehouses for charging 13½ cents a bushel for storage. Handling costs certainly would not be 1 or 2 cents per bushel per year, so it beats me how he ever came up with a rate of saving of 26 cents per bushel. Yet that same rate is used in computing the saving which he indicated in the summary that he placed before the committee last week.

We ought to take time enough to get the facts and find out just where they came from and on what basis.

The CHAIRMAN. Thank you, Mr. Findley.

The CHAIRMAN. The next witness is Mr. Denslow.

I understand you are batting for Mr. Herschel Newsom.

Mr. DENSLOW. Yes, sir.

The CHAIRMAN. You may proceed, sir.

STATEMENT OF L. ALTON DENSLOW, ASSOCIATE LEGISLATIVE COUNSEL, NATIONAL GRANGE

Senator AIKEN. What is your background, Mr. Denslow?

Mr. DENSLOW. I am associate legislative counsel for the National Grange.

Senator AIKEN. For the National Grange.

Mr. DENSLOW. Yes, sir.

Senator AIKEN. What State are you from?

Mr. DENSLOW. Virginia.

Senator AIKEN. OK.

The CHAIRMAN. You may proceed. Have you a prepared statement?

Mr. DENSLOW. Yes, sir.

Mr. Chairman, and members of the committee, the Grange has consistently urged and supported programs designed to bring about a better balance of supplies with demand and to obtain a reduction

in Government stocks of feed grains. We supported the emergency feed grain programs for 1961 and 1962 as temporary measures to meet an acute problem.

In the light of the progress which was made under these measures, we also supported the legislation covering the 1963 crop of feed grains, recognizing that it contained provisions and objectives substantially similar to those of the program which was developed by the National Grange Feed Grains Advisory Committee in 1958.

The present indications are that the 1963 program will show further progress toward achievement of the goals which we have all been seeking. In the light of this progress, we believe it unthinkable that there should not be further legislation authorizing the continuation of efforts to solve the feed grains problem without depressing farm income. We believe that H.R. 4997 is designed to accomplish this objective.

In order that each of the Nation's wheat producers who will be voting in the referendum scheduled to be held on the 21st of this month may be in a position precisely to weigh and choose between the alternatives with which he will be presented in terms of his own individual farming operation, we urge that every effort be made to enact legislation before that date to provide authority for an acreage diversion program for the 1964 crop of feed grains.

In the absence of such authority, wheat producers voting in the referendum would have no assurance that the proposed wheat marketing certificate program would include the authority which the Congress granted to the Secretary of Agriculture to permit the substitution of wheat and feed grain acreage in the operation of the proposed program for the 1964 crop of wheat. This, in our opinion, would deprive many farmers who grow both wheat and feed grains of information which they would need and should have to vote intelligently in the referendum.

We appreciate very much having the opportunity to present our views to the committee on this important legislation.

The CHAIRMAN. Did you hear the preceding witness?

Mr. DENSLOW. Yes, sir.

The CHAIRMAN. Have you made any estimates as to the cost of this program, or has the grange that you know of?

Mr. DENSLOW. No, sir. We have made no estimates. We more or less rely on figures that we receive from the Department of Agriculture.

The CHAIRMAN. You haven't used a pencil to make it cost as much as \$30 a bushel, have you?

Mr. DENSLOW. No, sir.

The CHAIRMAN. Any questions?

Senator AIKEN. I have one. If you had made a study and found that the cost of reducing the supply was \$5 a bushel, would you still support the legislation? Would you support the legislation regardless of cost?

Mr. DENSLOW. I don't believe I can say that we would support it regardless of cost.

Senator AIKEN. Suppose it cost \$5 a bushel, which I would guess is about the actual cost—

Mr. DENSLOW. I believe that we would have to weigh—we would have to compute, in that event, the savings on storage charges, on

feed grains that had been reduced out of stocks, and there are many other factors, I believe, that we would have to take into consideration in order to weigh the benefits of the program.

We feel that, as we see it, feed grain stocks have been reduced, acreage has been taken out of production of feed grains, and we feel that this program should—it is only a 2-year program—therefore, be continued as giving promise of similar progress. We would be satisfied even if it were a 1-year program.

We are not prepared to say that this is the only program, but we feel that a continuation of what is substantially the 1961 to 1963 program, at this time, is more desirable and more realistic than throwing it all over and proceeding without any program.

Senator AIKEN. How many months' supply of feed grains would you consider to be a desirable carryover?

Mr. DENSLOW. I believe the Department says 6 months. I couldn't disagree with that.

Senator AIKEN. And did the Department tell you there is only 4 to 5 months' supply already, that we only have that now? Did the Secretary ever indicate to you that he probably wouldn't use this legislation on feed grain if he had it, that is, next year?

Mr. DENSLOW. I have had no indication, sir.

Senator AIKEN. Are you satisfied that this legislation authorizing the wheatgrower to plant wheat on his feed grain acres will not result in an increase in the production of wheat, perhaps to such an extent as to nullify the intent of the wheat program?

Mr. DENSLOW. If you are inquiring about the—if I understand your question, it has to do with the substitution provisions of the Food and Agriculture Act of 1962.

Senator AIKEN. The Secretary gave two interesting examples of what a wheat farmer could do. He could go back to planting as much wheat as he planted before the wheat program went into effect and be entitled to \$1.30 a bushel loan on it. I suggest that you read the Secretary's testimony and give consideration to those two examples.

That is all, Mr. Chairman.

The CHAIRMAN. Any further questions? Thank you very much.

Senator HICKENLOOPER. Yes. I have one question, Mr. Chairman.

You have not calculated the bushel cost of the program?

Mr. DENSLOW. No, sir.

Senator HICKENLOOPER. But regardless of the bushel cost, you still support the program?

Mr. DENSLOW. Well, we don't feel—I can't say regardless of the bushel cost. If the bushel cost were astronomical—but I have seen no indication that the cost of continuing the program is going to be more than the cost we could anticipate without a program.

Senator HICKENLOOPER. I believe your organization, in February, took the position that this ought to be continued for 1 year rather than 2.

Mr. DENSLOW. Yes, sir.

Senator HICKENLOOPER. You now support the program for the 2-year continuation; is that it?

Mr. DENSLOW. The bill has been passed, of course, on the other side for 2 years. We did, as you say, support a 1-year extension to the House. I see no reason to change our position.

Senator HICKENLOOPER. Well, then, do you still recommend a 1-year continuation?

Mr. DENSLOW. I believe that 1-year continuance would be preferable to the 2-year continuance.

Senator HICKENLOOPER. Thank you. That is all.

Senator COOPER. I would like to ask a question. Did the Grange support a mandatory feed grain control program last year, when that bill was before us?

Mr. DENSLOW. I didn't testify at that time. I believe, though, that the consistent policy of the Grange in these programs has been that they should be on a voluntary basis. The Grange is primarily interested in a commodity-by-commodity approach to the different agricultural commodities, and on a voluntary basis which will permit producers to choose to participate in the program or not.

Senator COOPER. In your statement you say this: "In the absence of such authority"—and I interpolate—"authority which would be given in the feed grains bill—wheat producers voting in the referendum would have no assurance that the proposed wheat marketing certificate program would include the authority which the Congress granted to the Secretary of Agriculture to permit the substitution of wheat and feed grain acreage in the operation of the proposed program for the 1964 crop of wheat." Does the bill before us include additional authority to wheatgrowers to substitute feed grains for any wheat acreage if the wheat certificate plan should be approved?

Mr. DENSLOW. If the wheat certificate plan should be approved, if the referendum is favorable?

Senator COOPER. The wheat growers could then use the authority in existing law to plant feed grains on wheat acreage?

Mr. DENSLOW. Well, if I understand your question, Senator, in the portion of my statement which you have quoted, I was referring to that section of the 1962 Food and Agriculture Act which, in the event and only in the event that there is an acreage diversion program for the 1964 crop of feed grains in effect, would authorize the Secretary of Agriculture to permit the substitution of wheat for feed grains acreage and vice versa.

Senator COOPER. And conversely, following up what Senator Aiken said, it is your understanding that if this feed grains bill should be passed, and the wheat certificate plan is approved by the farmers, feed grain growers could sow wheat on acreage available for feed grains under the feed grain program?

Mr. DENSLOW. I don't know of any additional authority than the authority I referred to in the 1962 act.

Senator COOPER. Do you look upon this authority as upsetting any objectives sought under either the wheat referendum or the feed grains bill?

Mr. DENSLOW. I feel, Senator, that the two programs go hand in hand. One is designed to supplement the other.

The CHAIRMAN. Any further questions?

Thank you very much, Mr. Denslow.

Mr. Johnson?

Senator HICKENLOOPER. This gentleman's name, I didn't get, that was on the stand just now.

The CHAIRMAN. Denslow.

Senator HICKENLOOPER. Mr. Denslow, may I ask you, would the Grange advocate the wheat referendum if the feed grains bill did not pass, if this bill before us did not pass?

Mr. DENSLOW. Yes, sir. We have been advocating a favorable vote.

Senator HICKENLOOPER. Even though the feed grain bill did not pass?

Mr. DENSLOW. That is hard to answer. We have been and the feed grains bill has not passed—we have been advocating a favorable vote in the referendum.

The CHAIRMAN. All right.

Mr. Johnson, you may proceed, sir. Identify yourself for the record.

**STATEMENT OF REUBEN L. JOHNSON, DIRECTOR, DIVISION OF
LEGISLATIVE SERVICES, NATIONAL FARMERS UNION**

Mr. JOHNSON. Mr. Chairman, I am Reuben Johnson, director of legislative services for the National Farmers Union. It is an honor for me to have this opportunity to be here and represent Mr. Patton who is attending the meeting of the International Federation of Agricultural Producers in Dublin, Ireland.

Mr. Chairman, when I was a youngster we used to go fishing and we would give out of bait every once in a while. Without bait, we used to say some magic words like “rinky-dinky-doo, look out little fish, I am going to catch you,” and then we would spit on the hook.

The first witness this morning, Congressman Findley, is spitting on a hook. This hocus-pocus is being pulled on Department of Agriculture figures, figures which are contained in a committee report, a committee on which he serves as a distinguished member. It is a little late in the game to be spitting on a hook. If Congressman Findley doesn't catch any more fish with his hocus-pocus than we caught by spitting on a dry hook and saying some magic words, he is not going to get very far with his figures.

I am willing to stand on the figures of the distinguished body in the House, the House Agriculture Committee, and the Department of Agriculture. All kinds of calculations can be made using different assumptions.

The truth of the matter is that one of the biggest advantages of this program has been the income that has been put in the pockets of the farmer and the savings on the storage costs which amount to 26 cents a bushel each year including carrying charges, transportation, and the straight storage charge.

The CHAIRMAN. Now, when you say savings on storage you, of course, have in mind the storage that would have been charged had there been no program at all.

Mr. JOHNSON. That is correct.

The CHAIRMAN. And I think the record would indicate that stocks would have increased considerably except for the program of diversion.

Mr. JOHNSON. Stocks would have increased, farmers would have gotten less per bushel for their production. Cost to the Government would have been higher. This way we have at least cut the storage cost and have given the farmer the benefit of some of the money we could otherwise spend for storage. We have put money in his pocket.

Senator JOHNSTON. In other words, the price would have been depressed due to the fact of the enormous surplus that would have been built up, is that true?

Mr. JOHNSON. That is exactly right. We in Farmers Union, if we were going to devise a program that would save the Government money, I think we could have come up with a program that would have done a much better job than the program we have. There are people right here around this table that talk about saving money now but they would not support a program in which farmers would be permitted the right to vote in referendum, to put a mandatory control on production and thereby really save some money.

If this is what they want to do, they should have been here when we had a bill up which would have put some effective control on production and would have provided more adequate, in my judgment, price supports than we can have under a voluntary program.

Senator JOHNSTON. In other words, summing up what you said, we have to take the farmers into consideration in the legislation we pass.

Mr. JOHNSON. Mr. Chairman, I was just looking at some figures here. I would just like to read some of these figures. On income, going into a State like Illinois, the State of the distinguished gentleman from the House side, Congressman Findley, his State received \$11½ million in land diversion payments this year, 1963. This is income in the pockets of the farmers that he represents.

Considering this and the fact that we cut the amount of feed grains, I think the program ought to be looked at in a different light than he wants us to look at it.

In Iowa \$2 million more went into the pockets of farmers, a total of nearly \$13.5 million went into the pockets of Iowa feed grain producers this year under this program.

These are just two examples. The figures are in the report of the House Agriculture Committee.

Senator HICKENLOOPER. Are those figures for the marketplace or are they Government payments?

Mr. JOHNSON. These are payments. Senator Hickenlooper, I have found that farmers prefer to get income out of the marketplace. But if they can't get it out of the marketplace, they will take it in whatever form they can get it. It is difficult to try to stay in business and grow corn and feed grains in Iowa or any other State where feed grains are grown.

This program has meant the difference between losing farmers more rapidly off of the land and keeping them out there. If we hadn't had the program, we would have fewer farmers.

Senator HICKENLOOPER. Would you rather have a program where the farmer got a reasonably adequate and equitable price in the marketplace on an economic level of the exchange of goods in the normal economy of the country or would you rather have a program where the farmer depends for his income and his net on what the Government payment checks were?

Mr. JOHNSON. Mr. Hickenlooper, if you can draw me a picture of how to get a program that would give the farmer——

Senator HICKENLOOPER. I am just asking——

Mr. JOHNSON (continuing). The income he deserves through the market structure without any interference on the part of Government, I would certainly be interested in taking a look at it with you. As

a matter of fact, I was looking at some figures the other day—I believe Congressman Gathings over in the House put them together—showing the price level in effect back in the days when we had no Government programs at all.

They don't look too good. They weren't good. And we didn't have any decent stability and income for the farmers or price until we had Government programs.

Senator HICKENLOOPER. Do you think the price level of the farmers is adequate today?

Mr. JOHNSON. No, sir, I do not. I don't think it is adequate.

Senator HICKENLOOPER. Do you think this program has developed an adequate and fair price to the farmers?

Mr. JOHNSON. If it hadn't been for this program, whereby we put \$2 billion, approximately, in income, additional income in the pockets of the farmer, I don't know where that parity ratio would be that is down to 77. Certainly that is not adequate.

Senator HICKENLOOPER. It is the lowest parity ratio we have had since 1931.

Mr. JOHNSON. That is right, and it is not adequate.

Senator HICKENLOOPER. Do you think, therefore, that the program has been successful?

Mr. JOHNSON. I think if it hadn't been for the program—

Senator HICKENLOOPER. I didn't ask you that. I asked you then do you think the program has been successful in creating an economic climate for the farmers to give them an adequate price when the parity has been down the lowest it has been since 1931?

Mr. JOHNSON. Well, I say that if it hadn't been for the program—this administration has raised farm income by just about \$2 billion.

Senator HICKENLOOPER. And lowered the parity price to the lowest it has been since 1931.

Mr. JOHNSON. The cost of doing business has continued to increase which has dropped the parity ratio to 77. This does not reflect the kind of income situation that I think we ought to have but I certainly don't see us improving on this parity ratio by turning back the clock on a program like this.

It has been one of the big factors in putting this \$2 billion in income in the farmers' pockets.

Senator HICKENLOOPER. Well, I don't know of anybody that is advocating abolition of a farm program. It is a question of adopting a farm program that is not only realistic but that is economically sound and will work, but I fail to see where one can claim great success for this program, as I say, with the lowest parity ratio since 1931 and the farmers' net income being so dependent on purely Government payments.

Mr. JOHNSON. Mr. Chairman, somewhere around here in the committee room there are 657 petitions that have been sent in by Farmers Union members, both feed grain and dairy petitions. I would just like to make a note of this in my comments here and invite the members of the committee to inspect them.

I calculate that there are about 30 names on the average on these petitions and if there are 30 names, there are nearly 20,000 signers or petitioners for a feed grain program here in this room.

Mr. Chairman, with your permission I would like to file my statement for the record as if presented to the committee.

The CHAIRMAN. Without objection that will be done.

Have you anything else to add? Do you want to highlight it?

Mr. JOHNSON. No, sir. I don't have anything to add, Mr. Chairman.

The CHAIRMAN. Any questions?

Thank you very much.

Senator COOPER. Did the Farmers Union support the mandatory feed grain control program?

Mr. JOHNSON. Yes, we did, we supported it.

Senator COOPER. You now support the voluntary feed grain program?

Mr. JOHNSON. Yes, we do.

Senator COOPER. Would you still support the mandatory control program?

Mr. JOHNSON. Well, we try to be pragmatists in the Farmers Union, Senator. We came to the voluntary program when it appeared obvious that we didn't have support to put the mandatory program into effect.

Senator COOPER. How many States does the Farmers Union operate in?

Mr. JOHNSON. About 22 chartered States.

The CHAIRMAN. Chiefly in wheat.

Mr. JOHNSON. Well, we start at Indiana and Illinois and go all the way to Oregon, Washington; and start at Montana, North Dakota, and Wisconsin; go down to Arkansas, Texas, and Oklahoma.

Our strongest membership is in what we call the commercial family farm area of the United States.

Senator COOPER. Do you support minimum wages for farmers—a statutory minimum wage?

Mr. JOHNSON. Yes, sir. We have supported the extension of the minimum wage throughout.

Senator COOPER. Do you support the unionization of farmers?

Mr. JOHNSON. Well, I guess some people get confused by the name Farmers Union, Senator. We are not a union of farmworkers but an organization of family farmers.

Senator COOPER. I am asking what your policy is.

Mr. JOHNSON. We haven't been active in this field at all. We are a family farm organization. No aspect of our program involves unionization of farmworkers. There are some in California. I think if our type of program was favored, it would keep families in agriculture. There would never be any need for unionization because we would keep our agriculture out of the hands of the big corporations and there wouldn't be any need to hire a lot of farm labor such as we have seen in California and some other areas.

Senator COOPER. That is all.

The CHAIRMAN. Any further questions? Thank you very much.

Senator JOHNSTON. Let me ask one question. In your organization do you have to be a farmer to join it?

Mr. JOHNSON. Yes, sir. This is one of the requirements to be a voting member of the farmers union.

Senator JOHNSTON. Chamber of commerce members are not members of your organization.

Mr. JOHNSON. No, sir. The original constitution of the farmers union permitted membership of four categories other than farmers—country ministers, country schoolteachers, country doctors, and country mechanics which in that period, 1902, was the blacksmith.

While we do take membership now through our insurance program giving associate membership in some of our allied rural areas, we do not give voting membership to anybody in farmers union except farmers. As a matter of fact, the reason why the farmers union isn't a bigger farm organization, Senator, is because we don't accept anybody but farmers. Farmers have been declining in number.

We might be able to get up to a million and a half if we took city people but we don't. We stay a farmers' organization and thereby we think we stay pure when we come down here because we are talking for farmers.

The CHAIRMAN. Thank you very much, sir.

Mr. JOHNSON. Thank you, Mr. Chairman.

(The prepared statement of James G. Patton, president, National Farmers Union, follows:)

Mr. Chairman and members of the committee, it is an honor for me to have this opportunity to appear before the distinguished members of this committee for the purpose of presenting the views of National Farmers Union on a long-range feed grains program.

The Committee on Agriculture in the Senate plays a vital and essential role in maintaining the economic health of rural America. The ways and means of providing farmers needed price and income protection and support have become controversial in recent years. This means that the work of the Senate Agriculture Committee is not always easy. The members of the Senate Agriculture Committee deserve our sincere vote of thanks for the time and attention that you have given to farmers' programs over the years. I especially want to commend Senator Ellender for his outstanding leadership in the development of the feed grains program.

I call attention to the petitions sent in by Farmers Union members who, through their work and effort, demonstrate their interest in a feed grains, as well as a dairy program. To date, 657 petitions have been received. They are on exhibit here today and with your permission, Mr. Chairman, we would like to leave them here through these hearings and the dairy hearings to follow.

The Feed Grains Subcommittee of National Farmers Union has stressed the need for increasing income of feed grain producers and a summary of their views is outlined herein. However, Mr. Chairman, we fully support the bill, H.R. 4997, passed by the House of Representatives. The basic provisions of this bill are fully consistent with our views. Moreover, we believe that wheat producers are entitled to know what the feed grains program will be in 1964 before the referendum vote on May 21. We, therefore, urge you to act promptly to report H.R. 4997 to the Senate floor.

Having worked closely with farmers for most of my adult life, I share with you an awareness for the need of continually improving the economic position of the farmer and I admire the perseverance and courage of those of you who have chosen to remain in the service of agriculture in the Congress of the United States.

I want also to express the appreciation of the Farmers Union for the role of this committee in developing programs which have increased net farm income by almost \$2 billion over the past 2 years.

Since the fall of 1960 feed grain stocks have been reduced 28 percent. The 1961 feed grains program reduced corn stocks by 368 million bushels. The 1962 program has continued the reduction of corn stocks by 340 million bushels and preliminary reports and estimates indicate that feed grain stocks will be further cut through the 1963 feed grain program. The reductions of CCC stocks have cut the cost of storing and handling to the Federal Government. These indicators of progress are well known and understood by the American farmer who also knows that without the increases in the price support on nearly all price-supported commodities many family owned and operated farms would be bankrupt today.

As you well know, much of additional farm income is the direct result of the feed grain program so I again commend this subcommittee for the development of this worthwhile program.

But even though the programs of the past 2 years have added income that otherwise would not have been realized, the income gap between the farm and nonfarm sectors still remains deplorable. This concern was recently pointed out by the executive committee of the National Farmers Union. While they commended both the Congress and the administration for their valiant efforts to

improve the agricultural economy, the committee stated that "farmers are still plagued by inadequate returns for their capital investment, management, and work."

"Farmers everywhere," the committee said, "should join forces this year to work with responsible farm organizations and farmers' friends in Congress and the administration to insure a prosperous and stable agricultural and national economy."

Undoubtedly the concern, as expressed in the words of our executive committee is grounded in the fact that in spite of an increase in overall net returns to farmers, the parity ratio, which is a measure of farm income in relation to cost, has not increased.

Almost half of our farm families had incomes, from all sources, of less than \$2,500 in 1959, according to the Bureau of the Census. Nearly two-thirds of the individuals living alone on farms had incomes of less than \$1,000 a year.

A recent study made by Farmers Union from Department of Agriculture figures shows that in the period 1947-49 total investment in a typical cash grain farm in the Corn Belt was \$58,230. By 1959-61 the total investment in such farms had increased to \$107,840—or an increase of \$46,610 per farm.

Over the same period the amount of cropland harvested increased from 186 to 200 acres per farm and net farm production increased by 33 percent.

Gross farm income in the 1947-49 period on such farms was \$13,732. By 1959-61 the gross farm income was up to \$15,653—an increase of nearly \$2,000. However, net cash income over this period dropped from \$7,976 to \$6,674—a reduction of \$1,300.

In 1961 returns per hour for operator and family labor on such farms was \$1.03, calculated on the basis of about 40 hours of work a week, or below Federal minimum wage standards. This does not include, of course, any set-aside for management or return on investment. If net cash income had kept pace with investment, as is normal to expect in other business ventures, the average farmer could have expected a net cash income of approximately \$15,000 by 1961.

Prosperity in rural America will continue to have a great deal to do with the growth and prosperity of our national economy. I am firmly convinced, for example, that a substantial increase in farm prices and income would result in utilizing our industrial production capacity to a much greater extent than at the present time. This would mean a reduction in the present level of unemployment.

Unless some way can be found to increase purchasing power of those people who are not sharing equitably in national growth and income, it will be necessary to put the unemployed to work and activate idle plants through a public works program. I recommended recently to the Joint Economic Committee that a \$50 billion investment be made in public works projects over the next 3 years. The Nation needs more schools, more roads, more pollution abatement plans, more public works such as dams to control floods and produce power as well as steam and atomic plants for this purpose. But, obviously, a substantial increase in farm income could play a vital and important role in alleviating unemployment and idle industrial production resources.

Increasing prices and income at a much more rapid pace would strengthen the family farm system of agriculture that has served this Nation so effectively. Not only has the family farm system of agriculture given this Nation the strongest, the most productive, and the most efficient agriculture in the world, it is the bulwark of the social and cultural values that are essential to our national political and social welfare. For this reason Farmers Union continues to stress the need for economic conditions in agriculture which will make it possible for a farm family to earn a living comparable to other economic groups with similar investments, management, and work requirements.

This concern for the family farm was expressed recently in the report of the Family Farm Subcommittee of the National Advisory Committee on Rural Development. The subcommittee recommended:

"Practical limitation of Federal price support, credit, conservation, crop insurance, and other assistance, both monetary and technical, to larger than family farms. There should be a cutoff point beyond which no subsidy will be paid. The cutoff might be at a specific income level, at a specified number of acres, or at a specified number of bushels or pounds."

Therefore, for future reference of the committee, we will present a brief summary of a feed grains program that has provision for a family farm cutoff. Such a provision would have the effect of (1) protecting and strengthening the family farm structure of agriculture and (2) cutting Government cost of needed farm programs.

The feed grains committee of Farmers Union is made up of State presidents as follows: Mr. Ben Radcliffe, president of the South Dakota Farmers Union, chairman; Mr. Elton Berck, president of Nebraska Farmers Union; Mr. Kenneth Schuman, president of Iowa Farmers Union; Mr. John Rees, president of Illinois Farmers Union; and Mr. Alvah F. Troyer, president of Indiana Farmers Union.

The program drafted by the committee follows:

PROPOSED FEED GRAINS PROGRAM

Objectives

1. To increase farm income—100 percent of parity to cooperating producers.
2. To assure consumers of continued fair and stable prices for meat, poultry, dairy, and cereal products.
3. To afford producers the means of growing needed quantities of feed grains without risk of overproduction which depresses prices to farmers and increases storage costs to taxpayers.
4. To further reduce current feed grains stocks to the level of an adequate safety reserve.
5. To strengthen the historic and traditional national objective of a strong system of owner-operated family farms, as contrasted to ownership by absentee landlords and recent rapid growth of vertical integration.

Outline of major provisions

1. Voluntary program covering corn, grain sorghum, and barley to operate nationally, until such time as it may become ineffective in maintaining a reasonable balance between supply and demand and in returning 100 percent of parity to cooperating family-type producers.
2. Established 1959-60 feed grains base for individual farms will be extended.
3. The Secretary of Agriculture will determine for the year ahead national feed grain requirements—domestic consumption and export requirements, including commercial market, social market and food-for-peace usage, plus the amount of feed grains needed for maintenance of an adequate safety reserve.
4. One hundred percent of parity will be provided for cooperating producers through the establishment of price support floor set at 75 percent of parity and a direct payment to make up the difference between the support level or the market price, whichever is higher, and 100 percent of parity (\$1.61 per bushel for corn with grain sorghum, barley, oats, and rye supported on basis of feed-value-equivalent ratio to corn).
- Producers cooperating in the percentage reduction of feed grains acres prescribed by the Secretary will be eligible for 100 percent of parity.
5. Producers who stay within their feed grains base acreage will be eligible for support price (75 percent of parity).
6. To encourage, promote, and preserve the family operated structure of U.S. agriculture, the maximum amount of direct payment per farm operator will not exceed \$10,000.
7. Contingency reserves will be established in order that bases will be available for new producers and in order that adjustments may be made by ASCS committees in hardship cases.
8. Examples of how the program will operate for:
 - A. Producer making acreage reduction of 20 percent from 100-acre base: 80 acres times 70 bushels per acre equals 5,600 bushels, times support price of \$1.20 plus \$0.41 direct payment (\$1.61) equals \$9,016 gross return.
 - B. producer planting within 100-acre base: 100 acres times 70 bushels per acre equals 7,000 bushels times support price of \$1.20 equals \$8,400 gross return.

The CHAIRMAN. I see Senator Morse who has a very short statement here to present to the committee. Senator Morse.

STATEMENT OF HON. WAYNE MORSE, A U.S. SENATOR FROM THE STATE OF OREGON

Senator MORSE. Thank you, Mr. Chairman.

Mr. Chairman and members of the committee, it gives me great pleasure to appear before you in support of the administration's feed grain bill, H.R. 4997, the Feed Grain Act of 1963. As I indicated on the floor of the Senate on May 1, it is my belief that this is sound

legislation which should be given expeditious consideration by the Senate.

I believe that the feed grain program contained in the bill is a key part of the sound agricultural program proposed by the administration. It contains the basic principle, so important to Oregon farmers, that wheat grown on feed grain base acres shall be considered and treated as a feed grain.

In administering this program, I trust that the Secretary of Agriculture will act in accordance with this congressional intent. To nail this point down, Mr. Chairman, I respectfully request that the committee obtain from the Secretary confirmation for me that it is his understanding of this intent of the bill that wheat grown on feed grain base acres shall be treated and considered as a feed grain.

By bringing this bill to the floor in the immediate future, your committee will, in effect, reassure Oregon farmers that when they vote in the wheat referendum in favor of the administration's program, they will do so in the knowledge that they will be allowed to grow feed grain wheat on feed grain base acreage.

This is a principle of vital significance to the agricultural and business economy of the Pacific Northwest.

May I digress and say it is of vital interest to our poultry industry. Barley as a feed grain is fine for livestock, but it is no good for poultry. Our poultry producers in Oregon simply have to have wheat as a feed grain basis for their operations. That is why we need to nail the Secretary of Agriculture down on a specific commitment in a formal way as to whether or not he shares this intent that I have expressed.

Senator HICKENLOOPER. Mr. Chairman, will the Senator object to an interruption here?

Senator MORSE. Not at all.

Senator HICKENLOOPER. Would you think we should have an amendment to this bill that would specifically set that out, then?

Senator MORSE. I don't think you need it. I think it goes with the bill if you make this legislative history.

Senator HICKENLOOPER. Why not make it a specific amendment to the bill?

Senator MORSE. I don't want to encourage any more delays.

Senator HICKENLOOPER. A specific amendment that would make it certain?

Senator MORSE. For the reason I just gave. I think you can make it certain by making the legislative history that I have suggested. I want action.

In our part of the country, we need to utilize our resources of men, land, and water to produce the grain and grass which can best be marketed and utilized in the form of livestock and poultry products.

Not only do we serve our area by our beef and poultry products but we also can help to meet the food needs of the expanding population to the south of us in California.

The feed grain bill, however, is essential if we are to market our animal and poultry products, because to do so successfully our farmers need to have stable supplies of feed grains at prices which are competitive with those of other grain feeding areas of these United States.

Mr. Chairman, the position of the senior Senator from Oregon on this matter is supported by representatives of the great farm organizations of my State, with but one exception. I submit for the record

telegrams and correspondence I have received from the president and officers of the Oregon Wheat Growers League, the management of the Morrow County Grain Growers, Inc., and the president of the North Pacific Grain Growers, Inc., a regional cooperative grain marketing association.

The president of the Oregon Farmers Union has likewise communicated to me the position of his organization on this important matter. Mr. Elkins has urged me to bring to the attention of Oregon farmers the importance of speedy Senate action on the feed grain bill as being vital to the success of the wheat referendum.

There may be those who feel that delay on this legislation until after May 21 will encourage a "no" vote on the wheat referendum. It would be my hope that this committee, by prompt action, can dispel any illusions which such groups may hold.

I thank the committee. I will be glad to answer questions if I can.

(The documents referred to above are as follows:)

PENDLETON OREG., May 1, 1963.

Senator WAYNE MORSE,
Senate Office Building, Washington, D.C.:

Immediate action to pass feed grain bill very important.

MILTON MORGAN,
Vice President, Oregon Wheat Growers League.

PENDLETON, OREG., May 1, 1963.

Senator WAYNE MORSE,
Senate Office Building, Washington, D.C.:

The league urges you to promote speedy action on feed grain bill.

JOHN WELLES,
Executive Vice President, Oregon Wheat Growers League.

LEXINGTON, OREG., April 30, 1963.

Hon. WAYNE MORSE,
Senate Office Building, Washington, D.C.:

I believe an affirmative vote on the new feed bill by the Senate will improve chances of a favorable outcome of the wheat referendum. Hope such a vote may be had before May 21. Your past efforts deeply appreciated by most of this areas wheat growers.

AL LAMB,
Manager, Morrow County Grain Growers.

PENDLETON, OREG., May 1, 1963.

Senator WAYNE MORSE,
Senate Office Building, Washington, D.C.:

Accelerated action on feed grain bill imperative.

L. E. KASEBERG,
President, Oregon Wheat Growers League.

WESTON, OREG., April 29, 1963.

Hon. WAYNE MORSE,
Senate Office Building, Washington, D.C.:

Passage of the feed grain bill is very important to the national economy and especially to the State of Oregon. Please vote and work for the passage of this bill.

Sincerely yours,

JAMES ZEAMER.

NORTH PACIFIC GRAIN GROWERS,
Mohler, Wash., April 29, 1963.

Senator WAYNE MORSE,
Senate Office Building, Washington, D.C.

DEAR SENATOR: In a regular meeting of our board of directors held in Lewiston, Idaho, on April 25, 1963, a resolution was passed to support a favorable vote for the 1964 wheat referendum.

As a farmer owned and controlled grain marketing cooperative we feel it is our responsibility to our members to support any legislation affecting our members welfare.

The passage of the feed grain bill is the key to making the wheat program the workable program we need to give the farmer in the Pacific Northwest the flexibility necessary for the economical operation of his farm.

We request your support on the passage of the feed grain bill, and we urge final passage before May 21, 1963.

Sincerely,

ROBERT W. TANKE, *President.*

The CHAIRMAN. Thank you very much, Senator Morse.

Any questions?

Senator HICKENLOOPER. Yes. Senator Morse, I notice in listing the ones who have sent you messages approving this legislation, there is no mention of the livestock associations. Have they indicated favorable consideration?

Senator MORSE. I mentioned the president of the North Pacific Grain Growers and the Oregon Wheat Growers League. They are very representative of our livestock group in our State. Mr. Hill—I had luncheon Friday with Mr. Hill, who is the top man representing our livestock people in my State. From him I have learned that they are strongly for this bill.

Senator HICKENLOOPER. Is he going to testify, do you know?

Senator MORSE. I believe he has returned to Oregon. I will find out.

May I say to the Senator from Iowa, that there is no question about the position of the livestock growers in my State for this has been a running issue with them for several years now. Senator Neuberger and I have both battled for their interests.

We are in this very difficult position in Oregon in connection with livestock. We raise the animals up to feeder condition. Then they are shipped out of our State and are fattened in the Middle West or down in large commercial yards, in California. We then must import the carcasses back into our State. Here we are, a great beef-producing State in the first instance, but not a finishing State, and frankly, and I say to the members of the committee as Senator Neuberger can so well verify, we feel we are discriminated against on the price of feed grains.

The estimates vary somewhere from \$7 to \$12 and \$13 a ton. That is one reason why it is so important that we get some help in the production of our own feed grains.

Senator HICKENLOOPER. How do you feel about the discretionary provision which would permit the—which permits the Secretary to permit the substitution of feed grains on wheat acreage and wheat on feed grain acreage?

Senator MORSE. Oh, I am in favor of it.

Senator HICKENLOOPER. Do you think that would reduce the feed units in this country and accomplish a reduction of the total feed units that would be available which seems to be the main trouble that is bothering us?

Senator MORSE. It would be of great help to the Pacific Northwest.

Senator HICKENLOOPER. But I am talking about the whole impact of the feed grain surpluses which we are concerned with.

Senator MORSE. It will help the economy, the agricultural economy of the whole country when we eliminate this discrimination against us now.

The CHAIRMAN. Any further questions?

Senator NEUBERGER. Mr. Chairman, I would like to call to the attention of my colleague Senator Morse, Secretary Freeman's testimony on pages 13 and 14 of this transcript of the hearing. He comments specifically on wheat as a feed grain in response to a question from Senator Aiken, and I think he is on record in response to your statement today, that it will be, of course, treated as a feed grain.

Senator MORSE. Thank you. As you know, Senator Neuberger, you and I have worked with these livestock men now for several years and we know there is no question about their supporting our position.

May I say good naturedly to my good friend from Iowa that I hope that the Secretary of Agriculture will exercise his discretion in doing justice to us in Oregon once in a while. As the Congressional Record shows, I have been at times, very unhappy with the Secretary of Agriculture when he exercised his discretion in a way which denied us some feed grain help in connection with our livestock and poultry. I think he should have given us more help. In these instances he is going to have to assume the full responsibility for great damage done to us.

Senator HICKENLOOPER. Let me ask you about the feed grain situation now. What is the reason why you can't use your surplus wheat now for feed?

Senator MORSE. Well, because they haven't been on this very acreage. They have been growing barley because there has been such a demand for the export of barley. What we have been doing is——

Senator HICKENLOOPER. I mean, don't you have the wheat there? Isn't the wheat surplus out there?

Senator MORSE. Well, you can't make it available for feed grain because they can't buy it at the support price.

The CHAIRMAN. That is right.

Senator MORSE. For feed grain. That has been our problem.

Senator JOHNSTON. That is true.

Senator MORSE. And we have been exporting barley, been growing barley and exporting it to the Asiatic market which has been helpful to our balance-of-payments problem, but as far as the poultry industry is concerned, even if we could get the barley available to the poultry industry, they couldn't use it because that is not what the poultry industry needs. They need wheat.

Senator HICKENLOOPER. So the problem of wheat out in your country today is a problem of price, not the availability of wheat.

Senator MORSE. The price of wheat to be used as feed grain?

Senator HICKENLOOPER. That is what I mean.

Senator MORSE. That is correct.

The CHAIRMAN. As a matter of fact, Senator Morse, you and others from your section have been strong advocates for the past 4 or 5 years to permit the planting of wheat for feed grain.

Senator MORSE. Yes.

The CHAIRMAN. And here is an opportunity to do it.

Senator MORSE. Yes, right.

The CHAIRMAN. And I don't believe it will seriously affect any other part of our country except your area.

Senator MORSE. I have spoken time and time again, and I mean no flattery, but I owe it to the people of my State to say for this record that one of the staunchest supporters we have had, a man that has done so much for Oregon agriculture within his authority in the Senate, has been the chairman of this committee. On behalf of the people of my State I want to thank you for your constant cooperation on the merits every time I have brought a problem here to you. You have told me many times, "Wayne, there is nothing I can do about it. The law doesn't permit what you want."

This legislation will help and so I strongly plead for it.

The CHAIRMAN. Any further questions?

Senator COOPER. I just have this one question, Senator Morse. Would you consider that this authority to substitute wheat, or to grow wheat on feed grain acreage if this bill is adopted, would in any way endanger the purpose of the wheat program?

Senator MORSE. Not at all.

Senator COOPER. It would so increase the supplies of wheat that—

Senator MORSE. Not at all. We can say this is earmarked wheat.

Senator COOPER. What?

Senator MORSE. Earmarked wheat in a sense. It won't endanger the program.

The CHAIRMAN. And it can't be sold without a certificate under the present law.

Senator COOPER. I understand that. I voted against the compulsory feed grain program because it seemed to me that it would very seriously affect certain areas of this country and not enable them to have enough feed grain. I assume you make the same argument here for the wheat program?

Senator MORSE. Well, frankly I don't follow that. I don't think making this acreage available—let's get right down to what we need it for—making this acreage available to our poultry industry is going to endanger any programs. It is going to do economic justice to the poultry producers in my country that our present feed grain policy is bankrupting.

We are just breaking poultry producer after poultry producer in the States of Oregon and Washington. I don't think you can justify an agricultural program that has that effect.

Senator HICKENLOOPER. It's breaking poultry producers every place in the country but I don't think it is the wheat program that is doing it.

Senator MORSE. Not because they can't get feed grain. Don't get me on that subject because you know what I do with our European NATO partners. I have already expressed myself on that several times on the floor of the Senate.

I just, as you know, laid down the law, so to speak, to our NATO partners and I started in on the State Department. In my judgment we should put some checks on the State Department in regard to what the State Department is doing in selling American agriculture short in connection with our dealings with our European allies.

The CHAIRMAN. Any further questions?

Senator MORSE. Third year exporting, so to speak, of agriculture, and you are cutting it down through your State Department program. It has got to stop.

Senator HICKENLOOPER. Not my State Department.

Senator MORSE. Well, I want to tell you I have done my best to disassociate myself from it. I am quite nonpartisan on these matters.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you very much. Mr. Magdanz?

Mr. MAGDANZ. May I request that my associate, Mr. B. H. Jones, appear with me?

The CHAIRMAN. Sure. As many as you desire, sir.

Mr. MAGDANZ. There are just two of us.

STATEMENT OF DON F. MAGDANZ, EXECUTIVE SECRETARY-TREASURER, AND B. H. JONES, ASSOCIATE SECRETARY-TREASURER, NATIONAL LIVESTOCK FEEDERS ASSOCIATION, OMAHA, NEBR.

The CHAIRMAN. Will you identify yourself for the record?

Mr. MAGDANZ. Mr. Chairman, members of the committee, I am Don F. Magdanz, of Omaha, Nebr., the executive secretary of the Livestock Feeders Association. With me is Mr. B. H. Jones, the associate secretary-treasurer of our organization.

The National Livestock Feeders Association generally supports the basic legislative concept of voluntary participation as embodied in H.R. 4997, known as the Feed Grain Act of 1963. Also, it firmly endorses the amendment adopted in the House of Representatives limiting the effective period of the proposed legislation to 2 years. In fact, this was one of the recommendations made by this association in its statement on the measure to the members of the House Committee on Agriculture when that body was engaged in its deliberations. We hereby emphatically encourage this committee to retain the time-period limitation.

In the opinion of the members of this association, it is not advisable to give permanent legislative status to a feed grain program at this time. The current production and storage situation makes it highly important to provide for congressional review of the need for feed grain program revisions, including the actual necessity for continuing a Government program. Every avenue should be left open to enable the Federal Government to relieve itself of the responsibility of conducting a program involving feed grains as soon as the production and storage circumstances make it advisable to do so.

Legislation of a permanent nature is not in keeping with the policy declarations of the National Livestock Feeders Association, which call for the "gradual withdrawal aimed at final termination of Government administered programs."

However, full endorsement of H.R. 4997 by the National Livestock Feeders Association is subject to certain changes in the measure as passed by the House of Representatives. We are grateful for the privilege of outlining the changes we feel are important, and respectfully request this committee to give its consideration to our recommendations. These changes, with brief and appropriate comment, are contained in the following paragraphs:

I. ESTABLISHMENT OF GUIDELINE LIMITS ON AUTHORITY

It is the profound feeling of the membership of this association that H.R. 4997, as now written, provides for vesting authority that is far too broad in the hands of the administrator of the program contained therein. Declared policy of the National Livestock Feeders Association as of February 8, 1963, while supporting a voluntary feed grain program, sets out as one of the conditions that future feed grain legislation "avoid the concentration of authoritative power over feed grain production and marketing in the hands of Government administrators."

While it is recognized that certain flexibility is not only desirable, but necessary, nevertheless, the association submits that the administrative authority provided in H.R. 4997 goes beyond the point of necessity or advisability. In our opinion, nothing constitutes a more serious threat to the basic freedom of the individual, nor the effectiveness of his congressional representatives to work in his behalf, than the concentration of undue administrative authority under the law.

We realize there is nothing new in an argument such as this, but we cannot refrain from emphasizing it and repeating it when we detect any surrender of authority by the legislative branch of our Government in favor of the executive branch. We submit that the bill is grossly deficient in appropriate guidelines in a host of instances and in the absence of these guidelines the Secretary of Agriculture is given power over men that is far too extensive.

An enumeration of these powers and authorities would serve no purpose at this moment except to emphasize the sweeping delegation of dominion to one person should producers wish to voluntarily comply with the program.

It should be entirely possible to write legislation that confines this authority within the realm of reasonableness and still provide the degree of flexibility necessary to constructive administration. We graciously urge that this committee make such amendments as would be required to provide these guidelines and thereby retain the government of men in the hands of the people through their elected representatives.

We are grossly concerned about the action of the House of Representatives in amending H.R. 4997 on the floor to expand the administrative authority over and beyond the extent contained in the bill as reported by the House Agricultural Committee. Specifically, we refer to the amendment following the period on line 1, page 9, providing for adjustment of feed grain bases upon recommendation of State committees.

For reasons mentioned above, we believe this amendment should be deleted, or at least the extent of any such adjustment should be confined.

II. PROTECTION OF THE REDUCTION IN FEED GRAIN STOCKS

This association is fully aware of the substitution provisions provided, as related to wheat and feed grains, in H.R. 4997 and in the Food and Agricultural Act of 1962. While the application of these provisions is reasonably clear, we submit there is considerable uncertainty in the direction such substitutions might take in actual practice.

We are told that these provisions will not adversely affect either the wheat or the feed grain acres in the overall. Also, we are advised that this substitution of acreages will be in the interest of efficient and flexible farming operations. The passage of H.R. 4997, however, is essential to the full operation of these substitution provisions contained in the act of 1962, approval of which has not yet been given by producers themselves.

Be that as it may, we submit the probability that the transfer of acreages will be heavier from wheat to feed grains, which would merely tend to equalize the difficulties in these two agricultural areas by transferring the wheat problem to feed grains. To the possibility of such a development, the National Livestock Feeders Association strongly objects.

Now that storage stocks of feed grains have taken a definite trend downward, and are at least approaching a manageable level, we feel it would be fundamentally wrong to do anything that would deliberately reverse this trend.

Surely there can be no justification for expecting the feed grain producers to share the unavoidable repercussions of years of unrealistic price support programs on wheat. For these reasons, the National Livestock Feeders Association takes a dim view of the move to tie wheat and feed grains together in farm program legislation.

To support this position we call your attention to the fact that the Congress recognized the danger of allowing wheat acres to be used for other crops which are or would be in surplus and inserted the following language in the Food and Agriculture Act of 1962.

Section 310, subtitle B, page 13, Public Law 87-703:

The diversion of substantial acreage from wheat to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown at the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities and would adversely affect the prices of such commodities in interstate and foreign commerce.

And continuing in this same section, another insertion:

It is, therefore, necessary to prevent acreage diverted from the production of wheat to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

To void this tie we are speaking of, which we again emphasize will result in one-way substitution only, and will jeopardize the feed grain situation—we recommend the following amendments to H.R. 4997:

(1) On page 7, beginning with line 6 and continuing to line 19, by deleting such language as refers to considering acreage devoted to wheat as being considered devoted to feed grains;

(2) On page 8, beginning with line 4 and continuing to line 18, by deleting all references to wheat acreage; and

(3) Adding a section to amend the Food and Agriculture Act of 1962 by deleting section 328 of the 1962 act in its entirety.

III. REVISION OF PARAGRAPH (6), SECTION 3

This is in the current bill, H.R. 4997. In our opinion, the intent of this paragraph should be clarified by deleting the last phrase so the paragraph reads as follows:

(6) Notwithstanding any other provisions of law, the Secretary may, by mutual agreement with the producer, terminate or modify any agreement previously

entered into pursuant to this subsection if he determines such action necessary because of an emergency created by drought or other disaster.

Such amendment would guard against the possibility of interpretation other than the intended purpose of the paragraph; namely, to allow sufficient flexibility for modification in case of an emergency.

The original wording might be interpreted as providing authority to modify or eliminate acreage diversion or other requirements of the program in chronic feed deficit areas. Such interpretation would result in the very jeopardous substitution of arbitrary Government decisions for the natural function of economic forces in determining land use.

Second, the original wording might be interpreted as carrying the implied responsibility, on the part of administrators, to maintain "fair" prices for feed grains in certain areas or in the Nation as a whole. In the opinion of this association, such action would be contrary to the basic purposes of farm programs.

At the same time we would like to endorse the deletion that was made on the floor of the House in amending H.R. 4997 which occurred on page 10—"preventing the incurrence of obligations in advance of appropriations."

We are grateful for the opportunity of appearing before this committee with the thoughts and opinions of the National Livestock Feeders Association relative to H.R. 4997, and may we respectfully request that favorable consideration be given to them.

The CHAIRMAN. Do I understand from your testimony that you are advocating that we strike from the wheat bill that is up for referendum on the 21st that portion which would give the right to substitute wheat for corn and corn for wheat?

Mr. MAGDANZ. That is correct, sir.

The CHAIRMAN. Thank you.

Any further questions?

Senator NEUBERGER. I am confused because you represent the Livestock Feeders Association, and you obviously want to take wheat out as a feed to eliminate its competitiveness. Yet livestock feeders tell me that wheat is a very valuable feed, that it is full of protein, and that they would be delighted to have it used along with some of the other feed grains for feed. Obviously you don't want wheat in competition for feed, but you represent livestock feeders?

Mr. MAGDANZ. Yes; that is correct, Senator. However, our reason for taking this position is that the feed grain problem is at least approaching a situation that amounts to an improvement over what it has been in years past, and we see in the provisions of the 1962 act as combined with provisions of this act a development that will merely shift the problem, the rather severe problem, that still remains in the wheat area, over into the feed grain area, and it is our feeling that these commodities should be handled separately and rectify one at a time or both of them if it is possible, but not to insist that one area absorb the problems of the other.

Senator NEUBERGER. It still doesn't make sense to me. If you represent livestock feeders and they contend that wheat is in many cases a superior feed grain, what difference does it make to you whether the feed grain is designated one thing or another?

Let's forget that it is wheat and call it a feed grain, and it is a valuable feed grain. Then, it seems to me, it ought to be available at a competitive price.

Are your feeders just in the central States, Nebraska and that area?

Mr. MAGDANZ. Let's say the majority of them are in the North Central States. We might add one more thing and say, by offering an opportunity to switch these acreages, we have Government participation in shifting acreages from their normal and traditional production areas into new areas and while we feel that this has every right to take place under normal economic conditions and according to economic feasibility, and also that the people in the northwestern part of the country or any other part of the country where they have not raised feed grains in the past have every right to raise feed grains today if they want to, but we do not feel that the Government should participate through their programs in an artificial shift of this acreage production.

Mr. Jones, would you like to add anything to what has been said?

Mr. JONES. Mr. Chairman, I would just say this in answer to the question. We certainly do not advocate outlawing the use of wheat as a feed grain. Our point here is that we do not want to destroy the progress that has been made in the feed grain area and jeopardize this program by allowing the wheat problem to be transferred to the feed grain area.

Senator NEUBERGER. Well, what difference does it make to you, as a feeder organization, if it is a good feed grain? In other words, are you really representing corn growers more than you are livestock feeders? Because I can't see—I am not a farmer any more although I used to be a dairy farmer, what difference it makes to you whether the feed is wheat, corn, barley, or peas if it is a good feed?

Mr. JONES. Madam, if you look at the storage of wheat and you visualize adding a portion of this to the storage of feed grains, I think you then realize the disastrous effect that it could have on the feed grain program in actually canceling out the reduction that has been made.

Senator NEUBERGER. The chairman knows we have discussed this many times. In fact, we are going over a lot of old ground. I thought that wheat on feed grain acres will not increase the feed production but will really be in lieu of present feed production.

The CHAIRMAN. That is what would happen.

Mr. JONES. Our understanding under the bill, the amount that can be transferred here from wheat acres in any given year when you have a diversion program is up to the Secretary of Agriculture, so it would be possible for any wheat grower, large or small, if the Secretary of Agriculture gave the approval, for him to transfer a major portion of that wheat acreage into the feed grain channels, and I am calling your attention again to the fact that the people in your area can grow all of the feed grains they wish to grow.

Senator NEUBERGER. Really, I am not thinking only about the people in my area. I am trying to think of wheat as feed grain generally, and I know most of it is grown in the Middle West, the area that your organization represents.

I don't understand why you as a feeders organization are opposed to wheat if it is good for feed. I can't understand that.

Mr. MAGDANZ. Mr. Chairman, may I add—

Senator NEUBERGER. I don't want to prolong this, but I am really confused by your presentation.

Mr. JONES. Our membership goes clear to California.

Senator NEUBERGER. Well, it is very different testimony from the livestock growers in my section of the country, I know that.

Mr. JONES. Livestock people in your section of the country, as was brought out by the testimony of Senator Morse, are primarily growers, not feeders. We are a feeding organization.

Senator NEUBERGER. They would like to be feeders, too, but they haven't been able to afford it.

Mr. MAGDANZ. Mr. Chairman, that is precisely our position in connection with this matter. Within a given area it makes no difference whether we have wheat or feed grain acres or feed grain on wheat acres.

If that was the only consideration, we would have no point of contention to make here. But we have to recognize that within the framework of this substitution procedure, there is also the matter of shifting acres to new areas. They are together and cannot be separated. If it were only the point of the movement of acres, we would have no point of contention here at all.

The CHAIRMAN. Any further questions?

Thank you very much.

The next witness is Mr. Ammon.

Mr. AMMON. Mr. Chairman, I have with me this morning Mr. Allan Bradley. I would like him to sit with us. He is director of Northeastern Poultry Producers Council, residing in Easton, Md., and is a past president of the Maryland State Poultry Council.

The CHAIRMAN. All right. You may proceed.

**STATEMENT OF RICHARD I. AMMON, EXECUTIVE DIRECTOR,
NORTHEASTERN POULTRY PRODUCERS COUNCIL, TRENTON,
N.J.**

The CHAIRMAN. I notice you have a prepared statement. Do you want to read it or highlight it?

Mr. AMMON. I will read it.

My name is Richard I. Ammon. I am executive director of the Northeastern Poultry Producers Council, more commonly known as NEPPCO, with headquarters in Trenton, N.J.

NEPPCO is a nonprofit trade association whose basic membership consists of 14 State poultry producer associations from Maine through Ohio and Virginia. These organizations represent a combined total of over 20,000 poultrymen.

By request, this statement is also being presented on behalf of one of our larger members, Delmarva Poultry Industries, a nonprofit trade association of some 3,000 broiler and egg producers located on the Delaware-Maryland-Virginia peninsula.

We are meeting now today on an historic but rather base anniversary. Thirty years ago, on May 10, 1933, the U.S. Senate passed the first Agricultural Adjustment Act. Thirty years ago this week, your distinguished predecessors were debating in these Halls the very issues we are discussing here today.

During these intervening years, more than a score of additional agricultural acts and some \$48 million have been used to control production and bolster farm income.

Yet today, the so-called farm problem is in many respects worse than ever. But rather than admit our past mistakes and be guided

by the lessons of history, we continue to offer the American farmer more and more of the same medicine which has only become more bitter with age and lost all of its curative powers back in the days of the New Deal.

As recent as 1961, we passed a temporary feed grain program. The proposal before us today is to make this program permanent. Yet in the 2 crop years, 1961 and 1962, a sizable majority of eligible producers refused to participate, the program was extremely expensive—costing over \$1½ billion, and such reduction in feed grain stocks as has been achieved has been due almost entirely to increased utilization and not to the program itself.

While poultrymen of the Northeast are admittedly small feed grain producers whose total volume comprises but a fraction of the Nation's production, they are big users of feed.

In 1960 over 5½ million tons of poultry feed were consumed in the 14-State area comprising NEPPCO land. That's 27 percent of the poultry feed consumed in this country and 14 percent of total formula feed of all types consumed in the United States.

Northeastern poultrymen have for several years been engaged in a severe competitive struggle with southeastern and midwestern poultrymen.

While near to the big eastern markets, our feed, labor, and housing costs have been significantly higher than those in the Southeast or Midwest and higher than the transportation differential suffered by those two areas in shipping their products to eastern markets. As a result, we have steadily been losing markets in our own backyard to these distant producers.

The biggest single cost of producing poultry meat or eggs, of course, is feed. It accounts for over two-thirds of our total costs. A reduction in feed costs, therefore, is our constant objective since it offers us the best means of remaining competitive and recapturing some of our lost markets.

That is why northeastern poultrymen were perplexed and discouraged this past January when the Secretary of Agriculture invoked his powers under the Emergency Feed Grain Act of 1961 and offered 12 Southeastern States Government-owned grain on an f.o.b. delivery basis at 25 cents over the CCC bushel quotation in Chicago.

This unfair, preferential treatment permits southeastern poultrymen to purchase feed at a saving that further widens the cost of production differential between them and their northeastern competitors.

While we are aware of the so-called antidumping provision of the 1963 Feed Grain Act, it has not yet been implemented in this regard.

We feel it is entirely premature to extend the provisions of this legislation for 2 years into the future before we have had some experience with the present statute.

Last year, the poultry industry in general stood behind turkey growers when they rejected marketing orders and Government controls in the June 1962 referendum.

This year, the Nation's wheatgrowers must decide whether or not to take the final plunge into the strictest form of control ever seriously proposed in this country.

No one can predict the outcome of the May 21 referendum. Yet because feed grain and wheat production and marketing are inextricably interrelated with each other and with livestock production, a

"no" vote in the wheat referendum will not only require a reappraisal of wheat legislation, but of feed grain legislation as well.

For this second reason, therefore, we feel the passage of any feed grain legislation at this time would be premature and we urge the committee to delay final action until after the wheat farmers have cast their vote.

Now, Mr. Chairman, we are all for our brothers of the soil, the feed grain producers, receiving a fair price for their products. And we recognize and accept the fact that higher prices for them will mean higher costs for us. But we also believe in the American free enterprise system and in fair play.

We, too, have suffered several periods of overproduction and resulting economic depression, but as an industry we have not run to the Government trough each time for a free meal. And each time we have bounced back a little stronger and a little wiser.

We resent having to pay twice for our feed—once through taxes and again through higher feed costs.

We believe Government-owned commodities sold in the domestic market should be offered on equal terms to everyone, everywhere.

We further believe the wheat farmers of America, like the turkey growers, are quite capable of rendering a just decision, given a fair and impartial understanding of all the facts and all the alternatives. But we abhor the carrot-and-stick approach being employed by the Department of Agriculture through its vast army of workers extending from Washington into every county of this Nation and through tons of heavily slanted literature all aimed at influencing the vote of the wheat farmers.

For the U.S. Senate to join in further sweetening the carrot by rushing this feed grain program through before the wheat referendum would, we believe, be most inappropriate and unfair to all of agriculture.

Should the wheat program be approved in referendum, there will be ample time to adopt a feed grain program for 1964.

Thank you very much, Mr. Chairman, for giving us this opportunity to express our views on this important issue.

I would like to say in conclusion, if I may, that we were somewhat surprised that the poultry producers of the northwest put such a high value on wheat as a feed grain because certainly that is not the case in the northeastern area which we represent. Wheat is not considered a very important feed grain for poultry and it does not have the nutritive values that many of the other ingredients which we use, basically corn, have.

The CHAIRMAN. I think your association was against the program in 1961, wasn't it? 1962?

Mr. AMMON. You mean the feed grain program?

The CHAIRMAN. Yes.

Mr. AMMON. No. We did not take a position on it at that time. We did not testify. We were against the Agricultural Act that year and we appeared here before you at that time. Yes, sir.

The CHAIRMAN. Thank you very much.

Are there any further questions?

Senator COOPER. May I ask, does your organization support any type of a feed grain program which would have the effect of limiting supplies?

Mr. AMMON. Would our organization support any type of feed grain program?

Senator COOPER. Yes. You all must have discussed this subject. Have you taken any position as to whether your organization supports any type of feed grain control program that, of course, would have an effect on the total supplies and may ultimately increase costs?

Mr. AMMON. We have not taken an official position but we certainly would support such a program.

The CHAIRMAN. Thank you very much, sir.

The next witness is Mr. Cole, Ralph Cole. Will you step forward?

STATEMENT OF RALPH H. COLE, DIRECTOR, NATIONAL CORN GROWERS ASSOCIATION, LINCOLN, NEBR.

The CHAIRMAN. Mr. Cole, will you be seated and give us your background. Identify yourself for the record.

Mr. COLE. Senator, my name is Ralph H. Cole. I live at Holdrege, Nebr. I am appearing here today in behalf of the National Corn Growers Association, inasmuch as Mr. Walter Goeppenger, president of the organization, is unable to be present.

The farmers in my area at first were not favorably inclined toward the 1963 feed grain program, probably because they didn't understand it at first. Since they have become thoroughly familiar with it, most of them now regard it highly and I think the sentiment in Nebraska and Iowa would easily be Senator, that this is the best program of its kind that we have had to date.

The signup in Nebraska and surrounding States testifies to this. Sixty-six percent of the feed grain farms in Nebraska are signed up in the 1963 program, representing 76 percent of the base acreage of the three crops, corn—grain sorghum, and barley.

We wish to express to you, Senator Ellender, and the members of the committee, and its counterpart in the House, and the Congress as a whole our appreciation for this series of programs beginning with the emergency feed grain program of 1961, the similar one of 1962, the present program this year, and the proposed legislation in H.R. 4997. We feel that the provisions included in it still mean additional improvement on the program now in effect and at its annual meeting in March 1963 the National Corn Growers went on record in full support of H.R. 4997.

I think I need not say anything further except to say that one of the reasons our farmers like the 1963 program is that it does not have in it one feature which has been in the past common to voluntary programs.

By that I mean a tendency to defeat itself. But the way the 1963 program is drawn up, we have worked through many examples of individual farms and we find that even though the market price should rise to the support level or even higher, this would not work to the disadvantage of the cooperator as would have been in the case of the 1961 program, the 1962 program, and in most voluntary programs which we have had in the past.

This we feel is one of the very strong features of the 1963 program, and it is still embodied in the proposed legislation for 1964.

In my State particularly we also are very happy to find that many livestock producers who did not previously find it to their advantage to participate in the program have found that due to the provisions

of the 1963 program it does fit their circumstances and many of them have signed up.

In conclusion I would again say that we strongly support the provisions of H.R. 4997.

The CHAIRMAN. Have you made a study of the cost of this program, Mr. Cole, to indicate the realistic costs?

Mr. COLE. You mean to the Government?

The CHAIRMAN. Government, that is right.

Mr. COLE. No, sir; I have not, Senator.

The CHAIRMAN. Any questions?

Senator HICKENLOOPER. Isn't the cost to the Government a factor in this, Mr. Cole?

Mr. COLE. Yes, sir; it is.

Senator HICKENLOOPER. And your conclusions are based upon the fact that—you think it is a good program but don't know what the cost is?

Mr. COLE. No; I don't mean to say that. When Senator Ellender asked me this question, I understood him to mean the 1963 program. We have given a good deal of consideration to the costs of the programs in 1961 and 1962. We have further had the indication from the economists in the Department of Agriculture that the 1963 program would be somewhere comparable to those of the previous 2 years.

Senator HICKENLOOPER. Now, do you think the Secretary of Agriculture should have the authority to dump corn on the market at almost any price he wanted to dump it?

Mr. COLE. No.

Senator HICKENLOOPER. Let me amplify that just a little so you don't get caught in a question that is impossible to answer.

Bear in mind that he can fix the 1964-65 loan rate. He can put the rate any place he wants to, and then if he sells it at 105 percent of the loan rate, it gives him a tremendous amount of discretionary authority. There would be no floor in that case.

Mr. COLE. As I understand it, as you said, Senator, he could sell Commodity Credit corn at 105 percent of the loan rate.

Senator HICKENLOOPER. Suppose he set the loan rate at 30 cents a bushel.

Mr. COLE. Yes. Well, he would be in a position where he could, of course, reduce the price under the circumstances.

Senator HICKENLOOPER. Do you think there ought to be some protection in this bill along that line?

Mr. COLE. I am not concerned with it; no. I have enough confidence in the Department and in the Secretary or any Secretary whom we might have to feel that he would not go to that extreme.

The CHAIRMAN. As a matter of fact, as I understand it, in the testimony he said that this payment would probably be between 10 and 15 cents instead of 18 provided by the current law.

Mr. COLE. I recall reading that.

Senator HICKENLOOPER. But that is—those payments are not fixed by law. They are within the discretion of the Secretary.

Mr. COLE. Yes, I understand that.

Senator HICKENLOOPER. There are a number of important changes in this proposed bill as against the 1963 program. I mean the program we are operating under now. Do you think that it is advisable to hurry up and pass this bill now before we have had full time to

really examine what the situation is or wait until later in the year and pass it at that time?

Mr. COLE. Well, I feel we have had adequate time to examine it. The changes which you mentioned, Senator, probably include the one which gives the Secretary some authority to make adjustments on individual farms whose bases have not been quite satisfactory.

Senator HICKENLOOPER. There are eight pages of changes shown by the studies of the committee from existing law, a lot of them.

Mr. COLE. We think that is a good one.

Another one which comes to my mind is the change which would permit one-half the support price payment to be made in advance instead of none of it as is the case this year. And, of course, a change which came about after the original bill was introduced limits it to the 2 years, 1964 and 1965.

Personally, and I think my organization would concur in this, we would be in favor of the provisions as originally stated to make this a permanent program.

Senator HICKENLOOPER. Now, what about the interchangeable, almost interchangeable provisions so that wheat could be planted on feed grain acres and feed grain could be planted on wheat acres? How is that going to help the total feed grain unit situation?

Mr. COLE. I am glad you brought that up, Senator, because some of the previous testimony would indicate a feeling on the part of some that this would be a disadvantage to the Corn Belt. I happen to be in the Corn Belt part of Nebraska. We have a small wheat base, but most of our land is in corn and grain sorghum. We feel that this provision is good in that it would do exactly what my friend, Mr. Magdanz, recommends, I think, allowing economics to dictate to a greater extent where wheat would be grown and where corn would be grown.

For example, in this kind of a program, the 15-acre people in my area would completely change over to feed grains. In other areas, I am inclined to think, and I am quite sure of this, that the western counties in Nebraska whose farmers have been raising some grain sorghum and trying to raise corn under unsatisfactory climatic conditions would use that to raise wheat which would, in turn, be used as feed grains.

Senator HICKENLOOPER. That would increase the wheat supply, of course?

Mr. COLE. It would increase the wheat supply but not, probably, to a greater extent than it would reduce the total feed grain pounds.

Senator HICKENLOOPER. Well, do you agree, though, that the problem in the country is not so much corn or sorghums or anything else as it is feed units?

Mr. COLE. Certainly.

Senator HICKENLOOPER. The feed unit that goes into animals, that number and that volume is the important thing. Don't you think this kind of a business would have a tendency to increase the number of feed units available in this country?

Mr. COLE. No, I do not, Senator. I think that this program, if it were merged and carried on to its logical conclusion, would put us in a stronger position than we have been. You will agree, I think, that we have made great strides in reducing feed grain supplies down to that point which we might designate as a strategic reserve level.

Senator HICKENLOOPER. Well, its strides have been rather substantial, but a lot of it is due to more animals and more shipping abroad, isn't it?

Mr. COLE. Some of it is due to that.

Senator HICKENLOOPER. I think the evidence shows that a substantial portion of it is that.

Mr. COLE. We have also reduced production considerably, and particularly have we reduced the production.

Senator HICKENLOOPER. How will we reduce production if we permit the diverted acres to be put into other feed units?

Mr. COLE. Well—

Senator HICKENLOOPER. Either way?

Mr. COLE. Well, by simply transferring, in one case, wheat crops for corn and milo and in other cases vice versa. It is my judgment that this would not make any great difference in the total feed units produced.

Senator HICKENLOOPER. I see. Well, I certainly would hope that it won't.

That is all, Mr. Chairman.

The Chairman. Any further questions? If not, we thank you very much, Mr. Cole.

(The prepared statement of Mr. Cole follows:)

The production ability of the feed grain segment of agriculture to outrun consumption presently is well known by all of us. Fortunately, we had in effect in 1961 and 1962 and will have again this season of 1963 an emergency feed grain program sponsored by the U.S. Government which is the product of legislation initiated within your committee. The National Corn Growers Association backed this legislation from start to finish and four of its directors served on the Feed Grains Advisory Committee which helped formulate it. Therefore, you and we both know of the background problems involved and the need for good, permanent and long-range legislation.

The National Corn Growers Association believes that if market potentials for the end products of feed grains, namely, meat, milk, and eggs, are exploited to the fullest, and if this is done with unflagging energy, that eventually our sales to foreign markets will provide tremendous new markets for U.S. feed grains. However, during this market developmental period when roads, handling facilities, grain storage, production know-how, farm machinery sales, distribution systems and consumer education are being developed in foreign countries, it will be necessary for us to hold our feed grains production in the United States within the limits of our potential consumption each year, if we are to maintain a sound farm economy at home.

Therefore, the National Corn Growers Association endorses the new 1964 and 1965 program for feed grains now being considered by you that represents in the main the extension of the 1963 legislation.

We believe that this program will continue to reduce farm program costs to the taxpayer and reduce CCC stocks to a desirable national emergency reserve level in another year or two, given normal weather conditions for growing feed grains. Naturally, if we had an adverse growing season the reduction would occur in a much shorter period of time.

The above program would allow us to store our Nation's surplus productive capacity in the soil, rather than in bins and warehouses. The national interest thus can better be served for the future at much less cost in soil and dollars.

The ultimate and most desirable solution to our present agricultural problems is through means which will expand our markets to a point where they can absorb all of our production. Presently, we are eating about as much in the United States as it is possible to do. Therefore, the great potential of market expansion for U.S. feed grains is in the foreign areas. It is wrong to call our present agricultural surplus stocks a national disgrace when two-thirds of the world's population goes to bed hungry each night. To expand these potential markets, we recommend the continuance of U.S. Public Law 480 to give continuity to foreign economic development aid in underdeveloped countries. We have seen a number of countries that did receive Public Law 480 aid strengthen their own economy to a

point where such aid is no longer needed but they have continued to purchase our feed grains and expand their importation of them with the purchase of hard dollars in recent years. This association is making energetic efforts toward the above goals and is cooperating in numerous foreign market projects with Foreign Agricultural Service of USDA.

The National Corn Growers Association was instrumental in the formation of and is one of the original incorporators of the U.S. Feed Grains Council—an organization whose aim is to expand foreign market for U.S. feed grains in conjunction with Foreign Agricultural Service of USDA. Besides the National Corn Growers Association, the council embraces the Grain Sorghum Producers Association of Texas, Western Barley Associates of Oregon, seed corn and sorghum seed producers, cooperative and private elevators, grain exporters, and feed manufacturers. Our Nation is striving for larger export sales and we are cooperating in this effort by support and membership in the U.S. Feed Grains Council.

We sincerely appreciate the opportunity to appear before you to express our views relating to the commodity corn, which in volume and dollar value is the largest of all crops grown in the United States. We will appreciate your support of the fundamental principles involved in the suggestions pertaining to the feed grain section. This statement is being made by me and also in behalf of Walter W. Goeppinger, president of National Corn Growers Association, 906 Ninth Street, Boone, Iowa, who was unable to appear at today's hearings.

The CHAIRMAN. That completes the hearings for this morning and the committee will stand in recess until 10 o'clock tomorrow.

(Whereupon, at 12 noon, the committee recessed, to reconvene at 10 a.m., Tuesday, May 7, 1963.)

FEED GRAIN ACT OF 1963

TUESDAY, MAY 7, 1963

U.S. SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D.C.

The committee met, pursuant to recess, at 10:07 a.m., in room 324, Old Senate Office Building, Senator Allen J. Ellender (chairman) presiding.

Present: Senators Ellender (chairman), Johnston, Talmadge, Jordan of North Carolina, McGovern, Edmondson, Aiken, Young of North Dakota, Hickenlooper, and Mechem.

The CHAIRMAN. The committee will be in order.

The first witness this morning is Mr. Shuman.

Mr. Shuman, come forward please.

STATEMENT OF CHARLES B. SHUMAN, PRESIDENT, AMERICAN FARM BUREAU FEDERATION; E. HOWARD HILL, PRESIDENT, IOWA FARM BUREAU FEDERATION, DES MOINES, IOWA; AND B. C. MANGUM, PRESIDENT, NORTH CAROLINA FARM BUREAU FEDERATION, RALEIGH, N.C.

The CHAIRMAN. Will you identify yourself for the record, please, sir.

Mr. SHUMAN. Mr. Chairman, members of the committee, my name is Charles B. Shuman, president of the American Farm Bureau Federation. My home is Sullivan, Ill.

I have with me Mr. Howard Hill, president of the Iowa Farm Bureau, and Mr. B. C. Mangum, president of the North Carolina Farm Bureau Federation, and I would appreciate it if they could join me in a supplemental statement.

The CHAIRMAN. They may join you, yes, sir.

Mr. Shuman, I notice you have a prepared statement.

Mr. SHUMAN. A rather brief statement, five pages in length.

The CHAIRMAN. I see. Would you want to go through the statement without being interrupted or do you mind interruptions as you go along?

Mr. SHUMAN. Well, either way, Mr. Chairman.

The CHAIRMAN. All right. You may proceed, sir.

Mr. SHUMAN. Mr. Chairman, and members of the committee, we appreciate the opportunity to present our views on H.R. 4997, a bill to extend the 1963 feed grain program for 2 years with certain modifications.

Before getting into a detailed discussion of the feed grain program, we would like to urge strongly that this committee delay any decision

on the type of feed grain program to be in effect after 1963 until the outcome of the forthcoming referendum on the multiple-price wheat certificate plan has been determined.

You are well aware of the fact that Farm Bureau has a membership of over 1,607,000 farm families in 49 States and Puerto Rico. Most of our members produce feed grains and livestock although many, of course, have a larger economic stake in other commodities. A large number produce both wheat and feed grains.

Our members strongly believe that feed grain and wheat legislation are closely related and that both affect livestock production and prices. We strongly believe that any future programs for feed grains and wheat should be considered together.

It is our considered judgment that enactment of any feed grain legislation before farmers vote in the multiple-price wheat referendum on May 21 is unwise and unfair to both wheat and feed grain producers. It is our further firm conviction that H.R. 4997 is a bad bill and that it would be harmful to farmers, consumers, and taxpayers.

We believe it ill advised and unfair to seriously consider feed grain legislation before farmers vote in the May 21 wheat referendum for the following reasons:

(1) Any action to enact feed grain legislation prior to the wheat referendum would be widely interpreted as an effort to influence the vote. It is well known that the pressure for action on feed grains at this time comes from those who think that the enactment of feed grain legislation would encourage a "yes" vote by encouraging wheat producers to believe they will be able to shift millions of acres from feed grains to wheat under the multiple-price plan.

There also appears to be a belief that the enactment of feed grain legislation at this time would promote a "yes" vote by causing farmers to think that Congress has closed the door against the enactment of additional wheat legislation after the referendum. In our opinion most farmers have already decided how they will vote in the wheat referendum.

We doubt that the outcome will be changed by any last minute efforts to influence the vote either way. Regardless of whether votes can be changed, we think it most inappropriate for the Congress of the United States to try to influence the outcome of a producer referendum by last-minute maneuvers.

If the Congress wanted to make the decision, it could have authorized the administration to put the multiple-price plan into effect without a referendum. Since the decision last year was to submit the issue to a producer referendum, we believe the Congress should be willing to let producers make up their own minds.

(2) We doubt that the problem of providing equitable treatment for the producers of different, but competing, commodities can be dealt with objectively in the heat of a referendum campaign. For example, under H.R. 4997 producers who have been growing oats and rye apparently could substitute wheat (a more productive crop) for these grains without participating in a feed grain acreage reduction program.

This, of course, is an obvious effort to make the multiple-price wheat certificate plan more palatable to producers. But it would tend to offset any reduction that might otherwise be achieved under the proposed feed grain program.

(3) If the complicated, restrictive, multiple-price wheat program is approved in the upcoming referendum, one set of circumstances will prevail. In this case the Congress should spell out the conditions under which wheat may be grown on feed grain acres to avoid undue disruption of the feed grain and livestock situations.

On the other hand, if it is voted down this will create substantially different conditions for the producers of wheat, feed grains, and livestock. If this happens, this committee and the Congress would then most certainly want to reanalyze the entire wheat, feed grain, and livestock problem in order to do justice to all producers. This committee should not tie its own hands by acting prematurely, without having all the facts necessary for sound judgment.

(4) There will be ample time for Congress to consider 1964 feed grain legislation after the wheat referendum. Most all feed grains are spring planted, and for the last several years the feed grain program has not been approved by Congress until much later in the year. If the wheat referendum fails (as it very well may) then Congress should consider further legislation for wheat and feed grains at the same time.

(5) We should know more about the actual results of the 1963 feed grain program before enacting any feed grain legislation. Producers have signed up to divert only 19.4 percent of their feed grain base acreages this year in comparison with 26.5 percent in 1962 and 26.1 percent in 1961. Participating producers have agreed to divert only 25.7 million acres this year in comparison with 32.7 million acres in 1962.

In the meantime, the total number of base acres has been adjusted upward from 123.3 million in 1962 to 132.3 million in 1963.

In 1960 with no feed grain program, production of the four major feed grains totaled 155.6 million tons. On the basis of prospective plantings, the USDA estimates that 1963 production of the four major feed grains will total 151.6 million tons, or only 4 million tons less than was produced in 1960 without a feed grain program. (The Feed Situation, April 1963.)

Despite the tremendous cost of the 1963 program, total feed production is being reduced less than 3 percent from the "no program" level of 1960.

Of course yields have been increasing at a rate of about 5 percent per year, but the feed grain program almost certainly has accelerated the upward trend in yields.

It should be clear by now that yields will be increased by any program that restricts acreage, raises support prices, and increases Government payments.

The above facts support our view that the 1963 program will be more costly and even less effective in reducing production than the 1961 and 1962 feed grain program.

We believe that H.R. 4997 is a bad bill and should not be passed by Congress. Our principal objections to this bill are:

(1) The total direct cost of \$1.7 billion for the 1961 and 1962 feed grain programs cannot be justified. Over 90 percent of the reduction in feed grain carryover was due to factors other than reduced production of the grains covered by the program. Increased use has been the major factor in reducing the carryover.

In this regard, a little known fact is that feed grain production actually went up—not down—in 1962 as compared to 1961. Further—

more, the dumping of CCC grains under these programs has contributed to an increase in livestock, dairy and poultry production and has severely depressed the prices received by producers.

Early indications are that the 1963 feed grain program will be less effective and more costly. By combining compensatory payments on the normal yield of the acres planted with diversion payments, the 1963 program (a) discriminates against the producers who want to reduce production more than the minimum required for participation, (b) provides a form of free crop insurance to cooperators, and (c) forces the Government to pay out millions of dollars in compensatory payments on grain that is produced solely for use on the farm where grown. We should not extend this wasteful program for 2 more years.

(2) The Secretary would be given wide-open discretionary authority to make compensatory, Brannan-type, payments. We vigorously oppose compensatory payments because such payments would force consumers to pay a part of their food costs through taxes—rather than full value at the market.

This is a trap for producers. Ultimately, the payment approach also would be a trap for consumers since it would encourage inefficiency and, thereby, result in high real costs of food.

(3) The bill grants far too much authority and discretion to the Secretary of Agriculture. Among other things, the Secretary would be given authority to determine:

- (a) Whether a feed grain diversion program shall be in effect;
- (b) The level at which feed grain prices are to be supported within a range of 65 to 90 percent of parity;
- (c) The percentage of base acreage (up to a maximum of 50 percent) a producer must divert to participate;
- (d) The rate at which diversion payments would be made (up to a maximum of 50 percent of the support rate times the normal yield of the acreage diverted); and
- (e) The portion of the support price that is to be made available through compensatory payments to producers. It is dangerous to farmers—and to everyone else for that matter—for Congress to grant such sweeping authority to any Secretary.

A more detailed statement with respect to the 1961, 1962, and 1963 feed grain programs is attached as appendix A.

(The app. A referred to follows:)

APPENDIX A

BACKGROUND INFORMATION ON FEED GRAIN PROGRAMS

RESULTS OF 1961 AND 1962 FEED GRAIN PROGRAMS

The administration claims that the so-called emergency feed grain program has been a great success, since the buildup in supplies has been halted and some progress has been made in reducing carryover stocks. What are the facts?

Fact No. 1. A sizable majority of the eligible producers gave the program a "no confidence" vote by staying out, both in 1961 and 1962.

In 1961 only 42 percent of the farmers with corn and grain sorghum bases signed program contracts. In 1962 contracts were signed by 44 percent of the producers with corn and grain sorghum bases and 29 percent of those with barley bases.

Fact No. 2. The acreage that was diverted under the program did not result in a corresponding reduction in feed grain plantings.

In 1961 the Government contracted for approximately 4 acres for each 3 acres by which corn and grain sorghum plantings were reduced from the 1959-60 base. In 1962 it contracted for approximately 5 acres for each 3½ acres by which corn, grain sorghums, and barley were reduced from the 1959-60 base.

In 1959-60 the total acreage planted to the four principal feed grains averaged 151.3 million acres.

In 1961 farmers planted 129.3 million acres to feed grains and were paid for diverting 26.7 million acres. Thus, the total of 156 million acres planted or diverted in 1961 was 4.7 million acres greater than 1959-60 plantings.

In 1962 farmers planted 125.9 million acres to feed grains and were paid for diverting 32.7 million acres. Thus, the total planted plus the acreage diverted rose to 158.6 million acres, or 7.3 million acres more than the average acreage planted in 1959-60.

The increased in "feed grain acreage" (including diverted acreage) under the program reflects increased plantings by nonparticipating farmers and adjustments in the base acreage of participating producers.

Fact No. 3. The production of feed grains was reduced less than the reduction in acreage planted because yields increased.

Apologists for the program have attributed most of the 1961 increase in yields to "weather." But yields rose again in 1962. (Per acre corn yields averaged 53.8 bushels in 1959-60 and rose to 62 bushels in 1961 and 64.1 bushels in 1962.)

In 1961, as compared with the base period 1959-60, the acreage devoted to four feed grains was reduced 14.5 percent and the production of four feed grains (total tonnage basis) was reduced 7.9 percent.

In 1962, as compared with the 1959-60 base, the acreage devoted to four feed grains was reduced 16.8 percent and the production of four feed grains was reduced 6.2 percent.

Fact No. 4. The reduction in feed grain stocks has been due almost entirely to increased utilization and not to the Government program.

At the beginning of the 1961 marketing year feed grain stocks totaled a record 84.7 million tons.

By the beginning of the current marketing year stocks had been reduced to 71.8 million tons. Only a very small part of this reduction of 12.9 million tons can be attributed to the feed grain program.

The production of feed grains was reduced 15 million tons in 1961, but barley and oats—which were not included in the 1961 program—accounted for 3.1 million tons of this reduction.

One of the most significant factors in the feed grain situation is the increase in utilization which has been occurring. Domestic consumption and exports of feed grains increased 8.1 million tons in the marketing year 1961 (as compared with 1960).

To summarize, under the 1961 program, stocks were reduced 12.9 million tons, but if there had been no increase in utilization and no reduction in the production of feed grains not covered by the 1961 program, the reduction in carryover would have been less than 2 million tons.

It now appears that stocks will be reduced 10.8 million tons (from 71.8 to 61 million) during the 1962 marketing year. This reduction is almost entirely accounted for by increased utilization and a reduction in the production of oats. As compared with 1961, total production of feed grains increased 2.5 million tons (from 140.6 to 143.1 million tons) and exports are expected to decline by about 1.7 million tons this year.

By the fall of 1963, feed grain stocks will have been reduced by a total of approximately 23.7 million tons from the 1961 level. But, if there had been no increase in utilization and no reduction in production of crops not under the program, the total reduction in stocks would be only a little over 2 million tons. (See table I.) Thus, 90 percent of the reduction in feed grain carryover was due to factors other than the effect of the emergency program.

Fact No. 5. The total direct cost—\$1.7 billion—of the 1961 and 1962 feed grain programs cannot be justified by what has actually been accomplished under these programs. (See table II.)

TABLE I.—*Factors in the reduction of feed grain stocks*

[In millions of tons]

| | 1961 | 1962 | Total for 1961-62 |
|---|-------|-------|----------------------|
| Total reduction in carryover..... | 12.9 | 10.8 | 23.7 |
| Reduction in production from 1960 of crops covered by program: | | | |
| Corn..... | 7.9 | 7.4 | 15.3 |
| Grain sorghum..... | 4.0 | 3.1 | 7.1 |
| Barley..... | | 0 | 0 |
| Total..... | 11.9 | 10.5 | 22.4 |
| Reduction in production from 1960 of crops not covered by program: | | | |
| Barley..... | .8 | | .8 |
| Oats..... | 2.3 | 2.0 | 4.3 |
| Total..... | 3.1 | 2.0 | 5.1 |
| Increase in utilization from 1960 marketing year..... | 8.1 | 8.3 | 16.4 |
| Net effect of reduction in production of crops not covered by program and increase in utilization on carryover.... | -11.2 | -10.3 | -21.5 |
| Reduction in carryover due to feed grain program..... | 1.7 | .5 | 2.2 |

NOTE.—It may be argued that the carryover would have increased if there had been no feed grain program. The point, however, is that the program has done little except to stop the buildup. The reduction in accumulated stocks is almost entirely due to increased utilization and reduced production of feed crops not covered by the program.

The total direct costs of our 2-year experience with the feed grain program have exceeded \$1.7 billion.

TABLE II.—*Direct costs of the 1961 and 1962 feed grain programs*

[In millions of dollars]

| Payments to— | 1961 | 1962 | Total, 1961 and 1962 |
|------------------------------|------|------|-------------------------|
| Corn producers..... | 765 | 854 | 1,619 |
| Sorghum producers..... | | | |
| Barley producers..... | | 42 | 42 |
| Administrative expenses..... | 42 | 42 | 84 |
| Total..... | 807 | 938 | 1,745 |

¹ Assumed to be the same as for 1961.

Indirect costs resulting from the policy of dumping CCC grain to penalize nonparticipants will add \$200 million or more to the total cost of the 1961 and 1962 programs.

Fact No. 6. The 1961 and 1962 feed grain programs have contributed to the present weakness in livestock prices which is costing farmers hundreds of millions of dollars.

Early in 1961, when this committee was discussing the 1961 feed-grain program we spoke out against one of its most disturbing features. We called this "the obvious threat to use the Government's huge surplus stocks to beat down the market price of feed grains." We denounced this proposal as a "brand new and fallacious concept." We continued to oppose the dumping of CCC feed-grain stocks during the 1962 program. We have continually pointed out that this use of CCC stocks is bad for our market system for grain and that it severely penalizes producers who want to sell their feed grains on the market.

As we have already pointed out considerably more than 50 percent of all feed grain producers stayed out of the feed-grain program in 1961 and in 1962. Dumping CCC feed grains on the market held down their market price and, of course, lowered their incomes.

We also pointed out early in 1961 that dumping feed-grain stocks onto the market would ultimately adversely affect poultry, dairy, and livestock production and prices for these commodities.

Although corn prices average about the same in 1961 and 1962 as in 1960, the impact of the 1961 and 1962 feed-grain programs on livestock production has been substantial for the following reasons:

(1) In 1960 the loan program was designed to support prices, but in 1961 and 1962 livestock producers knew in advance that large amounts of CCC grain would be sold to keep prices from rising.

(2) In 1960 all corn producers were eligible for support on their entire production, but in 1961 and 1962 over half of the producers were outside the program and, therefore, ineligible for price support. In addition, thousands of cooperators had some ineligible corn under the provision which limited support on the basis of each producer's assigned "normal yield."

TABLE III.—*Corn—Monthly price per bushel received by farmers, United States, 1959-63*

| | Calendar years | | | | |
|---------------------|----------------|---------|---------|---------|--------|
| | 1959 | 1960 | 1961 | 1962 | 1963 |
| January..... | \$1.02 | \$0.979 | \$0.963 | \$0.951 | \$1.03 |
| February..... | 1.04 | .995 | 1.00 | .956 | 1.06 |
| March..... | 1.06 | .999 | 1.01 | .968 | 1.06 |
| April..... | 1.13 | 1.05 | .965 | .988 | 1.08 |
| May..... | 1.15 | 1.07 | 1.02 | 1.03 | ----- |
| June..... | 1.16 | 1.08 | 1.03 | 1.03 | ----- |
| July..... | 1.13 | 1.09 | 1.05 | 1.04 | ----- |
| August..... | 1.13 | 1.07 | 1.04 | 1.02 | ----- |
| September..... | 1.09 | 1.06 | 1.04 | 1.04 | ----- |
| October..... | .990 | .991 | 1.02 | 1.02 | ----- |
| November..... | .982 | .866 | .938 | .938 | ----- |
| December..... | .959 | .911 | .947 | 1.00 | ----- |
| Simple average..... | 1.07 | 1.01 | 1.0 | .998 | ----- |

Poultry and dairy production have continued above what they would have been if CCC stocks of feed grains had not been dumped. Prices of both these commodities have been depressed because of this unwise action.

Numbers of hogs coming to market and cattle on feed and being marketed are also up considerably. Hog prices are down, and top cattle prices have taken one of the sharpest drops in history—over \$7 per hundredweight since last fall. This, too, has been caused in part by the dumping of CCC stocks of feed grain.

We realize that some persons have supported the feed grain program on the ground that it has been an effective way of pouring "free money" from Washington into the feed grain areas. But what is happening currently to livestock, dairy, and poultry prices would indicate a loss in income to feed grain, poultry, dairy, hog, and cattle producers of several times the payments made to feed grain growers under the 1961 and 1962 programs.

1963 FEED GRAIN PROGRAM

Only 39.2 percent of the farmers with feed grain bases signed up for the 1963 feed grain program. The total acreage to be diverted is down 7 million acres from 1962. (See table IV.)

TABLE IV.—*Summary of signup reports on the 1961, 1962, and 1963 feed grain programs*

| | Final signup report, 1961, eorn and sorghum | Final signup report 1962 | | 1963 (signup through Mar. 22) eorn sorghum and barley |
|--|---|--------------------------|--------------|---|
| | | Corn and sorghum | Barley | |
| Total feed grain farms..... | 2, 612, 020 | 2, 763, 911 | 418, 358 | 3, 186, 903 |
| Number of farms signed up..... | 1, 172, 165 | 1, 221, 807 | 119, 794 | 1, 247, 906 |
| Percent of total farms signed up..... | 44. 9 | 44. 2 | 28. 6 | 39. 2 |
| Total base acres..... | 102, 322, 989 | 107, 246, 800 | 16, 045, 400 | 132, 253, 309 |
| Base acres on signed farms..... | 64, 693, 576 | 66, 042, 400 | 7, 875, 800 | 76, 454, 599 |
| Acres to be diverted..... | 26, 687, 682 | 29, 590, 700 | 3, 093, 600 | 25, 676, 475 |
| Percent of total base acres on signed farms..... | 63. 2 | 61. 6 | 49. 1 | 57. 8 |
| Percent of total base acres diverted..... | 26. 1 | 27. 6 | 19. 3 | 19. 4 |

CORN, SORGHUM, AND BARLEY

| | |
|--|---------------|
| Total base acres..... | 123, 292, 200 |
| Base acres on signed farms..... | 73, 918, 200 |
| Acres to be diverted..... | 32, 684, 300 |
| Percent of total base acres on signed farms..... | 60. 0 |
| Percent of total base acres diverted..... | 26. 8 |

The 1963 program has most of the bad features of the 1961 and 1962 programs and, in addition, contains a provision for Brannan-type compensatory payments. Since payments are to be made on the "normal" yield of planted acres, they encourage producers to participate on a minimum basis and to divert their poorest acres.

Farm Bureau is opposed to the compensatory payment concept. Our reasons for opposing payments are spelled out in our 1963 policies as adopted by the voting delegates of the member State farm bureaus:

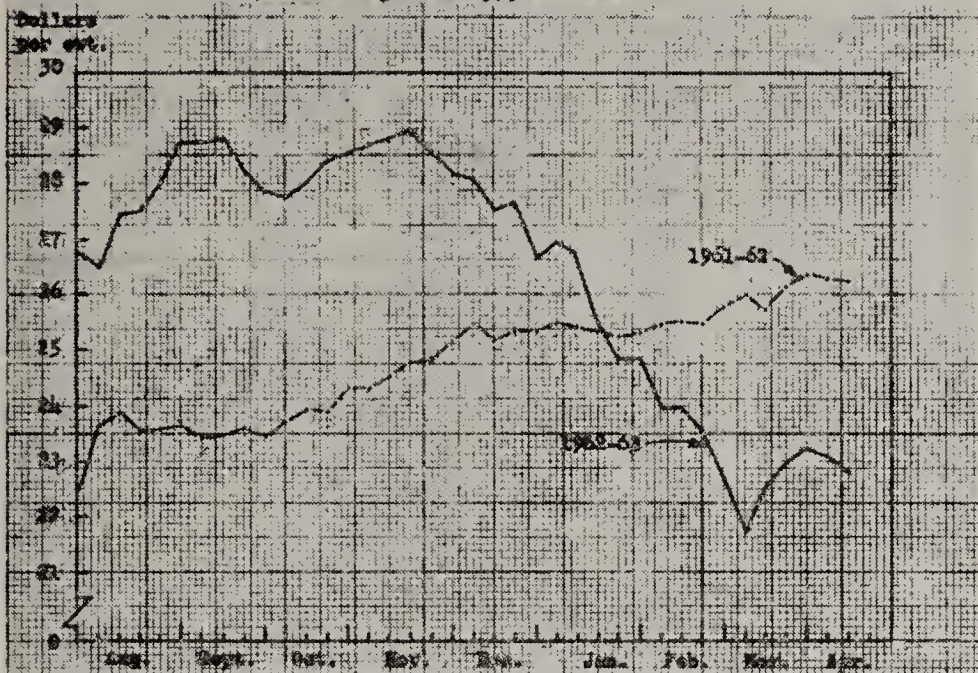
"Compensatory payments are proposed in a variety of forms. Regardless of the form in which presented, the payment approach is unsound and dangerous to our economic and political system. It would be fantastically expensive and would stimulate production, increase unit costs, depress market prices, lead to tight production controls, and make farmers dependent on congressional appropriations for a substantial part of their total income.

"Limitations on payments to individuals would place a ceiling on opportunity and level farm incomes downward.

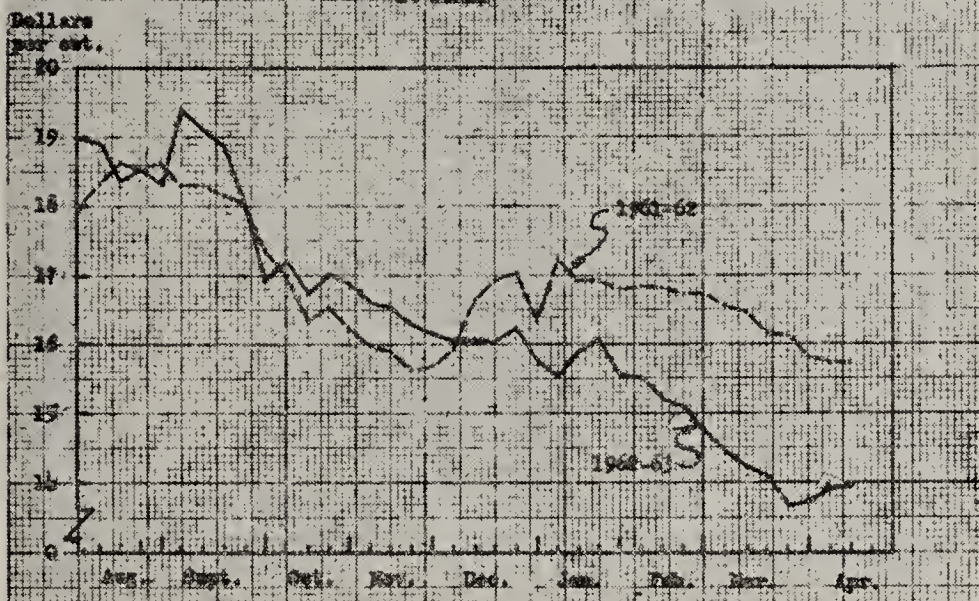
"Payment programs would socialize the production and distribution of food and fiber by having consumers pay a part of the cost through taxes—rather than full value at the store. This is a trap for producers. Ultimately, the payment approach also would be a trap for consumers, since it would encourage inefficiency and thereby result in high real costs of food and fiber.

"We vigorously oppose any system of compensatory payments for agriculture."

Average Price of Choice Steers Sold Out of First Hands for Slaughter
(Week ending Thursday), at Omaha



Average Cost of Barrows and Gilts (Week ending Saturday),
at Omaha



Weekly CCC sales of corn

CCC DOMESTIC SALES

[In thousands of bushels]

| 1960-61 | | | 1960-61 | | |
|--------------|--------------|------------|---------------|--------------|------------|
| Week ending— | Weekly sales | Cumulative | Week ending— | Weekly sales | Cumulative |
| Oct. 7..... | 1,939 | 1,939 | Apr. 7..... | 9,360 | 80,605 |
| Oct. 14..... | 1,594 | 3,534 | Apr. 14..... | 8,949 | 89,554 |
| Oct. 21..... | 1,599 | 5,133 | Apr. 21..... | 10,629 | 100,183 |
| Oct. 28..... | 1,387 | 6,520 | Apr. 28..... | 9,632 | 109,815 |
| Nov. 4..... | 1,453 | 7,973 | May 5..... | 7,524 | 117,340 |
| Nov. 11..... | 1,092 | 9,065 | May 12..... | 7,231 | 124,571 |
| Nov. 18..... | 784 | 9,849 | May 19..... | 6,931 | 131,502 |
| Nov. 25..... | 1,111 | 10,960 | May 26..... | 6,619 | 138,120 |
| Dec. 2..... | 1,030 | 11,990 | June 2..... | 5,047 | 143,168 |
| Dec. 9..... | 747 | 12,737 | June 9..... | 5,820 | 148,988 |
| Dec. 16..... | 783 | 13,520 | June 16..... | 7,601 | 156,589 |
| Dec. 23..... | 473 | 13,993 | June 23..... | 7,575 | 164,164 |
| Dec. 30..... | 346 | 14,140 | June 30..... | 21,613 | 185,778 |
| Jan. 6..... | 923 | 15,063 | July 7..... | 5,791 | 191,568 |
| Jan. 13..... | 1,153 | 16,210 | July 14..... | 6,721 | 198,290 |
| Jan. 20..... | 2,235 | 18,441 | July 21..... | 6,831 | 205,120 |
| Jan. 27..... | 3,157 | 21,599 | July 28..... | 6,463 | 211,583 |
| Feb. 3..... | 3,649 | 25,247 | Aug. 4..... | 5,620 | 217,204 |
| Feb. 10..... | 3,823 | 29,071 | Aug. 11..... | 5,473 | 222,677 |
| Feb. 17..... | 5,829 | 34,899 | Aug. 18..... | 3,737 | 226,413 |
| Feb. 24..... | 6,810 | 41,709 | Aug. 25..... | 3,287 | 229,700 |
| Mar. 3..... | 5,373 | 47,082 | Sept. 1..... | 5,555 | 235,256 |
| Mar. 10..... | 4,883 | 51,964 | Sept. 8..... | 4,628 | 239,884 |
| Mar. 17..... | 5,080 | 57,044 | Sept. 15..... | 7,594 | 247,278 |
| Mar. 24..... | 6,078 | 63,122 | Sept. 22..... | 6,394 | 253,872 |
| Mar. 31..... | 8,120 | 71,245 | Sept. 29..... | 15,000 | 258,872 |

SALES AGAINST CERTIFICATE POOL

| 1961-62 | | | 1961-62 | | |
|--------------|--------------|-------------------------|---------------|--------------|-------------------------|
| Week ending— | Weekly sales | Cumulative ² | Week ending— | Weekly sales | Cumulative ² |
| Oct. 6..... | 1,912 | 1,912 | Apr. 13..... | 21,641 | 566,623 |
| Oct. 13..... | 62 | 2,285 | Apr. 20..... | 20,147 | 586,778 |
| Oct. 20..... | 112 | 2,397 | Apr. 27..... | 20,542 | 607,320 |
| Oct. 27..... | 545 | 2,942 | May 4..... | 12,097 | 584,505 |
| Nov. 3..... | 8,702 | 13,398 | May 11..... | 6,970 | 591,568 |
| Nov. 10..... | 10,641 | 24,058 | May 18..... | 3,586 | 595,156 |
| Nov. 17..... | 24,543 | 50,696 | May 25..... | 1,589 | 596,744 |
| Nov. 24..... | 27,293 | 77,879 | June 1..... | 1,711 | 598,455 |
| Dec. 1..... | 27,181 | 104,660 | June 8..... | 1,608 | 600,064 |
| Dec. 8..... | 54,261 | 160,309 | June 15..... | 955 | 601,019 |
| Dec. 15..... | 47,635 | 208,082 | June 22..... | 692 | 601,711 |
| Dec. 22..... | 32,861 | 240,951 | June 29..... | 295 | 601,994 |
| Dec. 29..... | 29,666 | 270,740 | July 6..... | 317 | 602,312 |
| Jan. 5..... | 20,337 | 291,120 | July 13..... | 254 | 602,566 |
| Jan. 12..... | 40,365 | 331,487 | July 20..... | 325 | 602,891 |
| Jan. 19..... | 34,664 | 366,191 | July 27..... | 150 | 603,045 |
| Jan. 26..... | 25,386 | 391,611 | Aug. 3..... | 58 | 603,103 |
| Feb. 2..... | 17,096 | 408,761 | Aug. 10..... | 8 | 603,111 |
| Feb. 9..... | 15,959 | 424,720 | Aug. 17..... | 13 | 603,123 |
| Feb. 16..... | 11,279 | 436,239 | Aug. 24..... | 19 | 603,143 |
| Feb. 23..... | 9,990 | 446,228 | Aug. 31..... | 6 | 603,148 |
| Mar. 2..... | 15,753 | 460,925 | Sept. 7..... | 0 | 603,148 |
| Mar. 9..... | 15,542 | 476,561 | Sept. 14..... | 1 | 603,148 |
| Mar. 16..... | 13,920 | 490,615 | Sept. 21..... | 2 | 603,150 |
| Mar. 23..... | 20,210 | 510,598 | Sept. 28..... | 1 | 603,151 |
| Mar. 30..... | 18,019 | 528,675 | Oct. 5..... | (3) | 603,152 |
| Apr. 6..... | 16,268 | 544,947 | | | |

See footnotes at end of table, p. 167.

Weekly CCC sales of corn—Continued
SALES AGAINST CERTIFICATE POOL—Continued
 [In thousands of bushels]

| 1962-63 | | | 1962-63 | | |
|--------------|--------------|-------------------------|--------------|--------------|-------------------------|
| Week ending— | Weekly sales | Cumulative ² | Week ending— | Weekly sales | Cumulative ² |
| Oct. 5..... | 0 | 0 | Jan. 11..... | 18, 523 | 158, 238 |
| Oct. 12..... | 3, 575 | 3, 575 | Jan. 18..... | 24, 178 | 182, 412 |
| Oct. 19..... | 18, 730 | 22, 305 | Jan. 25..... | 22, 022 | 204, 434 |
| Oct. 26..... | 15, 725 | 41, 881 | Feb. 1..... | 32, 235 | 236, 670 |
| Nov. 2..... | 5, 939 | 47, 820 | Feb. 8..... | 28, 519 | 265, 188 |
| Nov. 9..... | 6, 657 | 54, 475 | Feb. 15..... | 24, 934 | 290, 121 |
| Nov. 16..... | 11, 192 | 65, 676 | Feb. 22..... | 18, 357 | 308, 479 |
| Nov. 23..... | 6, 651 | 72, 327 | Mar. 2..... | 19, 784 | 324, 128 |
| Nov. 30..... | 11, 813 | 84, 140 | Mar. 8..... | 17, 668 | 341, 996 |
| Dec. 7..... | 9, 893 | 94, 033 | Mar. 15..... | 19, 273 | 357, 324 |
| Dec. 14..... | 10, 944 | 104, 964 | Mar. 22..... | 14, 113 | 371, 437 |
| Dec. 21..... | 11, 675 | 116, 639 | Mar. 29..... | 20, 799 | 392, 236 |
| Dec. 28..... | 8, 758 | 125, 139 | Apr. 5..... | 17, 077 | 409, 313 |
| Jan. 4..... | 14, 572 | 139, 724 | Apr. 12..... | 17, 288 | 426, 390 |

¹ Sales against certificates for week ending Sept. 29, 1961, were 49,378 bushels.

² Because of later adjustments, weekly sales do not necessarily add to cumulative sales.

³ Less than 500 bushels.

Mr. SHUMAN. I would call your particular attention to the fact revealed in table I (p. 4 of app. A) that of the 23.7-million-ton reduction in feed grain carryover achieved during 1961 and 1962, only 2.2 million tons is due to the emergency feed grain program.

In that connection, Mr. Chairman, I would like to have the members of the committee turn to page 4 of the appendix because there is a slight misconception or confusing situation there. This is table I on page 4 of the appendix, "Factors in the Reduction of Feed Grain Stocks."

Please look at this table by starting with the first line, total reduction in carryover for 1961, which was 12.9 million tons; for 1962, 10.8 million tons; or a total for the 2 years of 23.7 million tons reduction in carryover which relates to the figures presented by the Secretary of Agriculture the other day.

Then, if you take those figures and look at the breakdown as to where this came from, you will see that the reduction in production from 1960 of crops covered by the program was—from 1960 to 1961—for corn, 7.9 million; 4 million in grain sorghum, for a total of 11.9 million in 1961. And then there was a further reduction in production in 1962.

Senator HICKENLOOPER. Where are those figures?

Mr. SHUMAN. These are on page 4 of the appendix.

The CHAIRMAN. Second column, right at the top of the page.

Mr. SHUMAN. 7.4 in corn; 3.1 in grain sorghum, and zero for barley, for a total of 10.5.

The total then is 22.4 million tons reduction.

And then the breakdown as to where this—where it is accountable. The reduction in production from 1960 of crops not covered by the program. In other words, barley accounted for eight-tenths of a million and oats of 2.3 million tons in 1961, a total of 3.1, and oats at 2 million in 1962, for a total over there in the third column of 5.1 million tons accountable for the reduction in production of crops not under the program.

Then increased utilization from the 1960 marketing year, and this is increased feeding, 8.1 million tons increased feeding use in 1961, 8.3 in 1962, a total of 16.4. It leaves a net effect in utilization from the 1960 marketing year, or the net effect of reduction in production of crops not covered by the production, increased utilization, totaling these two, 11.2 million, 1961, 10.3, 1962, for a total of 21.5, and then in deducting those from the total carryover reduction you get down to the bottom, the reduction that can reasonably be credited to the feed grain program of 1.7 million in 1961 and five-tenths of a million tons in 1962, or a total of only 2.2 million tons that can be reasonably accredited to the feed grain program.

It might be argued according to this note here, this is a point that may be argued, that the carryover would have increased if there had been no feed grain program. This is the point the Secretary tried to make. The point, however, is that the program has done little except to stop the buildup. The reduction of accumulated stocks is almost entirely due to increased utilization and reduced production of feed crops not covered by the program.

The total direct cost of \$1.7 billion and the actual production of feed grain in 1962, was 2.2 percent higher than it was in 1961.

Now——

The CHAIRMAN. Mr. Shuman, I can see here where Mr. Findley got his figures, that this program costs about \$30 a bushel.

Mr. SHUMAN. I never figured it out on the bushel cost but——

The CHAIRMAN. How much would you figure it out for yourself, now, with these figures before us?

Mr. SHUMAN. Well, I think that the—if you take into consideration the fact that the reduction in carryover was only a little over 2 million bushels and want to assign all of that, then it is——

The CHAIRMAN. Do it your way.

Mr. SHUMAN. Then it is 2 million tons into \$2 billion.

Senator HICKENLOOPER. Tons.

Mr. SHUMAN. That is 33 bushels to a ton. Sixty-six million divided into \$2 billion roughly. I haven't figured it and I can't figure it in my head, I guess. But anyway, that is the mathematics of it.

So in conclusion I would say, back on page 5, in summary, we strongly urge this committee to delay any further action on a feed grain program until after the multiple-price wheat referendum.

Senator JOHNSTON. Right there, are you for or against the wheat referendum, voting for or against it?

Mr. SHUMAN. We urged farmers to look at the facts and we think after they see the facts they will vote "No."

Senator JOHNSON. You are asking them to vote "No". You want to put it——

Mr. SHUMAN. We think that the Congress ought not to engage——

Senator JOHNSTON. Put it off.

Mr. SHUMAN (continuing). Ought not to engage in enacting legislation which will influence the decision of farmers. We think that the Congress if they had intended to enact the wheat certificate plan could have done that without providing for a referendum, but since they have provided for a referendum, we do not believe the Department of Agriculture or the Congress, either one, ought to engage in tactics designed to influence the outcome of the referendum.

Senator JOHNSTON. Your program, then, of the Farm Bureau is the same as the chambers of commerce in the United States, isn't that true?

Mr. SHUMAN. I don't know what the program of the chamber of commerce is with respect to the feed grain program or the wheat referendum. They may—I don't even know if they have a position. They may have, but I have no knowledge of that.

Having had no communication with them on it, I couldn't answer your question, Senator.

We strongly urge this committee to delay any further action on a feed grain program until after the multiple-price wheat referendum.

After the wheat referendum on May 21, it will be possible to consider our agricultural problems in a calmer atmosphere and on the basis of facts which are not now available. This committee has scheduled hearings on legislation to meet the urgent needs of the Nation's cotton producers, and these hearings will be underway at the time of the wheat referendum.

It is our desire to work with this committee in the development of effective legislation to improve the position of the wheat, feed grain, and cotton producers of the Nation.

After the wheat referendum has been held, and after this committee has completed these hearings on feed grains and held hearings on proposals for wheat and cotton legislation, we shall support enactment of more effective, less costly, and less disruptive programs for these major commodities.

Such programs should include a voluntary cropland retirement program; price supports more closely related to the market; and an effective prohibition against the price-depressing effects of dumping commodities held by CCC onto the market.

Now, Mr. Chairman, whatever your pleasure. Mr. Hill has a very brief statement, and Mr. Mangum.

The CHAIRMAN. We first will ask you a few questions, Mr. Shuman.

Now, Mr. Shuman, it is a fact that you and your organization have fought the feed grain program that is now on the statute book; that is, the 1963 program.

Mr. SHUMAN. Yes. We have opposed it.

The CHAIRMAN. You also opposed the one which took effect in 1961.

Mr. SHUMAN. We have opposed both feed grain programs in the Congress.

The CHAIRMAN. And it is also a fact that you fought with every weapon at hand, and I don't blame you for it if you believe that way—the wheat program that the farmers are now being asked to vote on on May 21.

Mr. SHUMAN. We have conducted a campaign to bring the reasons, the dangers of this program to the attention of the farmers, yes, sir.

The CHAIRMAN. Yes, and you have appeared before this Committee on many occasions and have given us your reasons why the program should not be enacted. So I presume that you would conclude that it is natural for your organization to be against a yes vote on May 21.

Mr. SHUMAN. Yes. We think that the "no" vote is the one that is in the best interest of the wheat farmers of the United States.

The CHAIRMAN. And you are conducting, as I understand, in no uncertain terms a campaign for a "no" vote—the wheat referendum.

Mr. SHUMAN. Each State farm bureau is engaged in a campaign and they determine the approach to be used in their State, but it is generally directed toward opposition to the wheat certificate plane.

The CHAIRMAN. Isn't it all directed against the wheat program except a few local farm bureaus that don't follow you?

Mr. SHUMAN. Well, I would say that—I am not familiar with the type of campaign conducted in every State, by every State farm bureau, but generally it is against the referendum.

The CHAIRMAN. Well, I don't know—I got a telephone call yesterday from a gentleman from Nebraska, Mr. Bryce Ohmstede, vice president of the Webster County Farm Bureau in Guide Rock, Nebr. Do you know him?

Mr. SHUMAN. No. I don't think I have ever had the opportunity to meet the gentleman.

The CHAIRMAN. Well, from his conversation to me he is violently opposed to the methods that are being carried on by your organization in Nebraska. And he is even going so far as to demand an investigation as to the amount of money that the Farm Bureau is spending in its campaign against the wheat referendum of the 21st.

Are you familiar with his allegations?

Mr. SHUMAN. I heard about it this morning indirectly. I didn't hear about it directly from him.

Let me say this, Mr. Chairman. With more than 2,700 county farm bureaus in the United States, it is not unusual to find one or more who disagree quite violently with the position or the methods that are used in the organization.

This is true in any voluntary organization and we expect it.

The CHAIRMAN. I can see that.

Mr. SHUMAN. This particular county in Nebraska is a very small county, I think somewhere in the neighborhood of 30, 35 members. It quite evidently has been taken over by folks who have another kind of viewpoint.

Now, as far as the investigation as to the amount of money that we are spending, or any of our methods or any of our allies, we would welcome this by Congress, anybody who wanted to investigate, because as compared to the amount of money being spent by the other side in this issue, ours is very insignificant.

The CHAIRMAN. A pittance.

Mr. SHUMAN. It is a pittance.

The CHAIRMAN. Can you tell us how much it is?

Mr. SHUMAN. It would be within the budget of our organization which is roughly—our total budget—it is not beyond our total budget. We spend what we take in each year, which is a dollar a year from each of our members, and I don't believe that we will spend any more this year in our total Farm Bureau program than we did last year, and so I cannot tell you any definite figure but it would be in the thousands rather than the tens of thousands.

Our total budget is a dollar a year per member and we will not in my judgment spend more than we did last year on all of our budgeted items.

The CHAIRMAN. Well, is the Farm Bureau being assisted in any way in carrying on this program of a "No" vote, let us say by the cattle growers or by the bankers or by any other institutions that are not in favor of the program?

Mr. SHUMAN. We have not received nor asked for, neither asked for nor received one single dollar from any other organization to conduct this campaign. Neither have we had any meetings with any other group or any other organization to discuss a joint campaign.

We have not set up a committee against it, as other groups have, and any other organization that is working against the wheat referendum is going so on their own money and their own decisions. We have not had any committee or any organization set up nor have we received or asked for any funds or any financial assistance from anybody in the United States.

The CHAIRMAN. During the hearings, I think it was yesterday, I placed in the record or I read off where quite a few radio and television programs were being conducted by the American Farm Bureau. I presume that was on a local basis?

Mr. SHUMAN. If there are any it would be free because we have not paid for a single one. It is a national basis.

The CHAIRMAN. To what extent to your knowledge do the local farm bureaus, State, county or however you are able to conduct programs, have programs of their own at their own expense?

Mr. SHUMAN. I have no information as to the extent of it except by observation, that it is very, very insignificant in the amount of radio, TV, newspaper advertising or programing that they have been able to purchase.

There may be some isolated cases where counties or States have spent a little money but it has been very insignificant.

The CHAIRMAN. Now, Mr. Shuman, I have before me here figures that indicate that for the year 1961, 25.2 million acres were diverted; from corn, 19.1; sorghum grain, 6.1. Barley was not in the program at the time.

What would be your estimate of the production on these 25 million acres had they been planted?

Mr. SHUMAN. Well, of course, the real answer to that is that these 25 million that were diverted were almost exactly offset by the additional production, additional acreage planted by the folks who were not under the program and by the increased production of other feed grains other than corn of the ones that were under the program, plus production was offset by higher yields, of course. In my judgment the production would have been less without the feed grain program. This is my own judgment. But my judgment is just as—

The CHAIRMAN. In other words, do you argue to this committee that the fact that 25.2 million acres were diverted during the 1961 crop, that that encouraged others to grow more?

Mr. SHUMAN. Yes, sir.

The CHAIRMAN. I see. Of course, you are entitled to your view. And in 1962 the number of acres diverted were 28.6 million. Corn accounted for 20.4, sorghum, 5.7, and barley, 2.5.

Mr. SHUMAN. Yes, sir.

The CHAIRMAN. Now, do you argue the same way as you have just done, the fact that these acres were diverted that that caused others to come into the picture and produce more corn?

Mr. SHUMAN. Yes. There is no question but what this was one of the factors. There was another factor that is very important and that is that the base acreage has been climbing each year. In other words, the appeals presented by farmers to their ASC committees have been

granted, as I pointed out in this table on page 7 of the appendix of our statement. It is in the statement. The amount of acreage, base acreage, has gone up as well as the increased——

The CHAIRMAN. I will present that in a minute.

Now, the estimated acreage for 1963, that is, the diverted acres, is 25.7 million, 17.7 of which would be corn, sorghum grain, 4.9, and barley, 3.1.

Mr. SHUMAN. Yes.

The CHAIRMAN. It is your argument or your view that the fact that these acres were diverted caused others to come in and to offset that.

Mr. SHUMAN. Yes, sir.

The CHAIRMAN. Just because of the program.

Mr. SHUMAN. The assurance——

The CHAIRMAN. Would you answer——

Mr. SHUMAN. Yes. It is one——

The CHAIRMAN. Just because of the program.

Mr. SHUMAN. It is one of the reasons. There are other reasons.

The CHAIRMAN. One of the reasons, and you are saying this to this committee.

Mr. SHUMAN. Yes, sir.

The CHAIRMAN. All right. Now, if, however, you would happen to be wrong and these acres had been planted, will you give the committee an estimate of how much feed grains would have been produced on the acreage I have just given you?

Mr. SHUMAN. Well, Mr. Chairman, any speculation, whether it is by the Secretary of Agriculture or myself, or anyone else, is rather—— well, it is rather idle because nobody knows what might have been.

The CHAIRMAN. That is what you are doing in your testimony today. You are speculating.

Mr. SHUMAN. No. We are dealing with what happened. We have not projected as to what might have been in this statement. We are dealing with what actually happened.

Now, what might have happened if there had been no feed grain program and these acres had not been diverted, very likely the production in total would have been less because—not necessarily because the price level, the price support level was too high, but because at the time of planting the farmer knew what the price that he was going to receive was going to be and therefore this was an insurance policy that encouraged him to purchase large amounts of fertilizer, and to do other things.

Actually the production in tons of feed grain is rather interesting. In 1960, 155.6 million tons. In 1961 there was a drop to 140 million tons.

The CHAIRMAN. You mean at full production?

Mr. SHUMAN. Yes.

The CHAIRMAN. What?

Mr. SHUMAN. No. This is actual. The 1962—it is estimated at 143 million. It has gone up. 1963 estimate is 151.6 million. We are almost back to where we were in 1960. And so there might have been a temporary effect on the feed grain program in halting the buildup but it is now largely overcome by the improved technology and by the fact that the ones outside the program, which is now about 61 percent, I understand from the last figure I saw in the signup, about 61 percent of feed grain producers are not in the program and this buildup, with

the buildup in production from fertilization, is more than offsetting the diverted acreage.

The CHAIRMAN. Well, do you claim that this buildup came about because of a more stable and better price, a higher price, than they would have received had there been no program?

Mr. SHUMAN. Not a higher price. I think the average price received by farmers for feed grain during the last 2 years would have been higher without a feed grain program. But it was known at planting time what the price was to be.

The CHAIRMAN. And your argument is the fact they knew what that was caused them to plant more corn, that is, some of them who weren't in the program, and as to those who were in the program, the fact that they got a stable price and knew in advance what would receive, they poured on more fertilizer.

Mr. SHUMAN. I believe that is a more stimulating factor to increased production than the argument as to whether \$1.20 or \$1.07 is the right price support level.

The CHAIRMAN. How about the higher prices? I have some figures here to indicate that in 1954 the production of corn for grain only, was 2,708 million bushels and the support price was \$1.62. Domestic utilization was 2,493 million bushels and exports, 101 million. The carryover was 1,035 million.

Now, for the next year the production of corn increased to 2,873 million bushels. Utilization increased to 2,624 million, and exports, 120. The carryover also increased to 1,165 million. The price then was \$1.58 and going down. I will put this in the record, that for every year the production of corn increased until 1961, utilization and carryover stocks also increased.

Exports also increased but the price of corn decreased. In other words, you had increases in utilization, you had increases in production, you had increases in exports and stocks, but insofar as prices were concerned, they went down.

Now, how do you account for that? Now, this is no speculation. These are absolute figures.

Mr. SHUMAN. Absolutely.

The CHAIRMAN. And how can you account for that? How can you argue the way you have just been arguing one way and then—

Mr. SHUMAN. Each year is a different set of circumstances. When you go back to 1954—

The CHAIRMAN. But you have got to speculate on that. Isn't that what you are doing?

Mr. SHUMAN. You go back to 1954 and if you wish I will be glad to file a supplemental statement which analyzes each of those years as to the price support and its effect on production.

The CHAIRMAN. But what I am presenting here, Mr. Shuman, are actual facts.

Mr. SHUMAN. Yes. I am not challenging that at all.

The CHAIRMAN. They are facts.

Mr. SHUMAN. You must analyze each year and each group of years in view of the incentives, the causes of that particular situation. This doesn't disprove our contention at all.

The CHAIRMAN. No, but what I have been doing here, though, is to project that now, using the same figures as before, that is, for 1960 where the production was 3,908 million bushels, and when the feed

grain program started, production of corn decreased by about 300 million bushels. How do you account for that?

Mr. SHUMAN. Well, let me say this in general.

The CHAIRMAN. Is that just a coincidence?

Mr. SHUMAN. No. Each situation has a different set of circumstances. Let me say this in general about economic projections, and I have had my share——

The CHAIRMAN. Let's talk about the facts.

Mr. SHUMAN. Well, you are using projections, Mr. Chairman.

The CHAIRMAN. No projections whatever. The figures I am reading from are actual figures that have been presented to me and taken from the Department of Agriculture and which you—I don't think you would challenge, as you just said, and it shows that from 1954 the production of corn for grain up to 1960 showed a gradual increase every year until the program went into effect and it suddenly dropped about 300 million bushels. Domestic utilization has also, from 1954 through 1960, increased in about the same proportion, that is, 2,493 million bushels in 1954, 1955, 2.6 billion, and so on, a gradual increase, and in 1961 when the program took effect it also increased.

Now, how do you account for that?

Mr. SHUMAN. Well, as I said before, let's make this statement. I would be glad and will supply a supplemental statement with the committee which analyzes this situation here. There are very good and sufficient reasons to explain everything that happened in the way of production, carryover, exports and all the rest.

There are factors of the acreage reserve. There is the price support——

The CHAIRMAN. I have them all——

Mr. SHUMAN. And all these enter into it and none of these facts and these figures have in any way—none of them invalidate the contention we are making as to the present situation.

The CHAIRMAN. Well, of course, it depends on what figures you use and how you are able to apply them. When Representative Findley appeared here yesterday, he made, in my opinion, his whole statement sound ridiculous when he said that the cost of this program was \$30 a bushel. You know that isn't correct.

Mr. SHUMAN. I have not figured the cost in bushels because——

The CHAIRMAN. Well, you figure it and give it to us for the record, that is, if you can find any figure that will approach Findley's.

Mr. SHUMAN. I have seen figures that varied from \$2.50 a bushel to \$30 a bushel. I have not made a——

The CHAIRMAN. It all depends on how you juggle figures and what figures you use.

Mr. SHUMAN. Of course, this whole interesting area of economic speculation and projection is one which has apparently captured the imagination of a lot of our agricultural economists today, and economic projections are no better than the assumptions that you feed into them, and as you say, figures can be used in 100 different ways.

The CHAIRMAN. Mr. Shuman, the figures that I presented here and that I will put in the record show that the production increased normally each year until the 1961 program went into effect. Then it dropped.

Utilization, domestic, increased each year normally, just the same as it did before. Exports were in some places a little more than

others. And the only thing, I repeat the only thing, that was down was the price and the price—in other words, they produced more corn at \$1.06 on virtually the same acres as they produced for \$1.62 back in 1954.

Of course, that is due to technology. I agree. But this table, to me, shows, using normal figures without juggling them and without getting an economist to take the figures and make them suit his convenience, this shows the trend and the trend here indicates to me and to anybody who wants to be fair with himself that for 1961, the first year of the program, there was a decrease of, as I said, about 300 million bushels.

Now, I think it would be fair to assume that if the program had not gone into effect and on the diverted acres we had a reasonable amount of production, that for 1961 instead of production for corn being 3,626 million bushels, it would have been 4,275 million, and in 1962 instead of, with the program being 3,644 million, without the program it would have been 4,430 million. And the projected one in 1963, which involves, I grant, a little speculation, with the program it would be 3 billion 8 as against 4 billion 4 without the program. On the same basis, giving the same percentage of increases, and the normal increase in utilization for domestic, that would have increased just the same as the others, and I ask that this table be put in the record at this point.

(The table referred to follows:)

Production, utilization, and carryover stocks of corn, plus 1961-63 estimates without feed grain program

[All figures represent millions of bushels except support price]

| Crop | Production for grain | Utilization | | Carryover stocks at end of crop marketing year | Support price (per bushel) |
|----------------------|----------------------|-------------|---------|--|----------------------------|
| | | Domestic | Exports | | |
| 1954..... | 2,708 | 2,493 | 101 | 1,035 | \$1.62 |
| 1955..... | 2,873 | 2,624 | 120 | 1,165 | 1.58 |
| 1956..... | 3,075 | 2,639 | 183 | 1,419 | 1.50 |
| 1957..... | 3,045 | 2,798 | 198 | 1,469 | 1.40 |
| 1958..... | 3,356 | 3,075 | 228 | 1,524 | 1.36 |
| 1959..... | 3,825 | 3,334 | 228 | 1,787 | 1.12 |
| 1960..... | 3,908 | 3,396 | 292 | 2,008 | 1.06 |
| 1961: | | | | | |
| With program..... | 3,626 | 3,562 | 433 | 1,640 | 1.20 |
| Without program..... | 4,275 | 3,641 | 433 | 2,210 | 1.05 |
| 1962: | | | | | |
| With program..... | 3,644 | 3,610 | 375 | 1,300 | 1.20 |
| Without program..... | 4,430 | 3,716 | 375 | 2,550 | 1.05 |
| 1963: | | | | | |
| With program..... | 3,80 | 3,651 | 355 | 1,095 | 1.25 |
| Without program..... | 4,43 | 3,801 | 355 | 2,825 | 1.05 |

NOTE.—Carryover stocks without program assume continuation of 1960-type program in 1961, 1962, and 1963.

Mr. SHUMAN. Mr. Chairman, I would like to have the privilege of submitting about a two-paragraph statement which substantiates my contention which is that the assumption that this trend would continue is without foundation, that there are other reasons for this trend, and that in agricultural production, a trend does not continue forever, that this was probably a cycle and that the production would have gone down anyway and perhaps more than it did under the feed grain program.

(The statement referred to above is as follows:)

FACTORS AFFECTING FEED GRAIN ACREAGE

The support price for corn followed a downward trend from 1954 to 1960. Feed grain acreage increased during this period; however, the increase was due to factors other than the support price.

The major cause of the increase in feed grain acreage during the 1950's was the wheat program. In 1953 when wheat acreage was unrestricted, harvested acreage of corn, barley, and grain sorghums totaled 85,713,000 acres. Marketing quotas went into effect on wheat in 1954. Producers were free to use their diverted acres for other crops. The result was increased plantings of barley and grain sorghums. Plantings of grain sorghums were increased 5.4 million acres in a single year. Total acreage devoted to corn, grain sorghums, and barley increased about 8 million acres from 1953 to 1954.

The acreage devoted to corn increased in 1959 when the acreage allotment program was discontinued. This reflected termination of the acreage reserve program and the fact that the support price was actually raised for producers who had not been complying with the acreage allotment program.

Price support level for corn and harvested acreage of corn, barley, and grain sorghums, 1952-62

| Year | Support price for corn | Harvested acreage | | | |
|-----------|------------------------|-------------------|----------------|----------------|----------------|
| | | Corn, grain | Barley | Sorghum grain | 3 feed grains |
| | | Thousand acres | Thousand acres | Thousand acres | Thousand acres |
| 1952----- | 1.60 | 71,353 | 8,236 | 5,326 | 84,915 |
| 1953----- | 1.60 | 70,738 | 8,680 | 6,295 | 85,713 |
| 1954----- | 1.62 | 68,668 | 13,370 | 11,718 | 93,756 |
| 1955----- | 1.58 | 68,462 | 14,523 | 12,891 | 95,876 |
| 1956----- | ¹ 1.25-1.50 | 64,877 | 12,852 | 9,209 | 86,938 |
| 1957----- | ¹ 1.10-1.40 | 63,065 | 14,872 | 19,682 | 97,619 |
| 1958----- | ¹ 1.06-1.36 | 63,549 | 14,791 | 16,524 | 94,864 |
| 1959----- | 1.12 | 72,091 | 14,918 | 15,402 | 102,411 |
| 1960----- | 1.06 | 71,649 | 13,939 | 15,592 | 101,180 |
| 1961----- | 1.20 | 58,449 | 12,946 | 10,957 | 82,352 |
| 1962----- | 1.20 | 56,842 | 12,443 | 11,547 | 80,832 |

¹ Separate support prices were in effect for compliance and noncompliance in 1956, 1957, and 1958.

The CHAIRMAN. Well, I presume you can look at that and find out, for instance, in the utilization column for exports, you had a sudden rise in the amount exported which can be accounted for by the fact France, that used corn, had a drought. But if you take the table as a whole you will see that the trend is just the normal one and when the 1961 feed program came into effect, you suddenly had that drop in production. And——

Mr. SHUMAN. Well, yes, you had a drop in production but my contention would be that this trend that we are now having towards increased livestock feeding and increased utilization has been stimulated in effect by the dumping of the Commodity Credit stocks and that it has fallen——

The CHAIRMAN. You know the Commodity Credit didn't dump any stocks. They were prevented from doing it under the law. They exercised their privileges as given by Congress whenever grains held too long might spoil. They could dispose of them. But we won't go into that.

Mr. SHUMAN. Mr. Chairman, we have a table——

Senator HICKENLOOPER. Mr. Chairman, just in regard to that, may I say we had some little statistics last year showing that the overwhelming percentage of corn put on the Chicago market from the

Commodity Credit Corporation stocks were graded No. 2 which didn't show that it was out of production, that it was a dumping of high-grade corn on the market.

I think the percentage was something like——

The CHAIRMAN. Why did they do that? The price of corn didn't go down, did it?

Senator HICKENLOOPER. The price support remained the same, fixed at \$1.20.

Mr. SHUMAN. The price of corn was held artificially low.

The CHAIRMAN. Oh, well, but the support price, you wouldn't get farmers to sell for less than \$1.20 when they could get a support price for that, would you? They would be dunces if they did.

Mr. SHUMAN. Mr. Chairman, we have both of these questions answered. We have a supplemental table, the last one here, in appendix to our statement which shows the weekly Commodity Credit sales of corn and it was quite evident that there was dumping, and on the supplement there is the monthly price per bushel received by farmers of the United States which shows the price of corn in 1961 and 1962, and these are USDA figures, that it was slightly lower than it was in 1959 and 1960. So the price has been held artificially lower and purposely by the release of high-quality corn by the Commodity Credit Corporation as shown in the table at the last.

Senator JOHNSTON. When you speak of dumping, what is your definition of dumping?

Mr. SHUMAN. When the CCC deliberately releases huge quantities of corn onto the market in order to keep the price at an artificially low level, which was done. There is no question about it. And it can be demonstrated by the actual statistics. And as far as I know, there has not been any denial. It was announced in advance that they intended to cut the price down to the noncompliers. They proceed to do it, and as far as I know, I have not seen a denial that this was not done.

Senator HICKENLOOPER. That was testified to before this committee, that that was the purpose.

The CHAIRMAN. Well, I don't suppose anybody suffered much because, as you have often said, 85 percent of what is produced on farms is fed on the farm, so nobody suffered except those that actually produced——

Mr. SHUMAN. There has been a \$2 million——

The CHAIRMAN. Produced for sale.

Mr. SHUMAN. There has been a \$2 million drop in the value of livestock in the last 120 days. This has come right out of the livestock farmers' pockets.

The CHAIRMAN. Well, do you attribute that——

Mr. SHUMAN. Mr. Hill has a little statement——

The CHAIRMAN. Do you attribute that to the lower price of corn?

Mr. SHUMAN. It has been a factor in stimulating the increased livestock production.

The CHAIRMAN. And yet you are advocating more production of corn. You don't want this program. Just produce all you want. Go on and produce. What effect would that have on the——

Mr. SHUMAN. No, Mr. Chairman. The effect of our testimony is that you will not have stimulated increased production. You will produce what is needed without this excess production if you are

producing for the actual market rather than for a fictitious market as set up by these programs.

The CHAIRMAN. Well, as I will show you in a few minutes, I have got some tables here to show that you had a gradual increase in corn and other feed grains over the years. There has just been a normal increase.

Senator JOHNSTON. Is it your position that you don't want any protection for the farmers?

Mr. SHUMAN. No, sir; our position is well established, that we favor price supports related to the market price for feed grain. We favor price supports that will serve as a support, not to establish the price. The trouble that we are in in agriculture with \$8 billion, over \$8 billion in CCC under loan and in inventory and it is increasing very rapidly at the present time, over \$8 billion worth of Commodity Credit stocks, all of these stocks of the Government-supported commodities, this trouble is due almost entirely to the fact that the price is established in advance and the price is established by the price support fixing the price. It has served as a ceiling as well as a floor and the price received by the farmers well could have been higher and not stimulated production.

Senator JOHNSTON. But your way would leave the farmers at the mercies of the manipulators.

Mr. SHUMAN. No, sir.

The CHAIRMAN. You favor a price support.

Mr. SHUMAN. We favor price support, not price fixing, Senator.

The CHAIRMAN. Well, how does yours differ? You advocate 90 percent of the last 3 years' average. Now, if that doesn't fix the floor I would like to know what does. It is the same thing except that it is a little more.

Mr. SHUMAN. Yes. Well, we favor a floor which will permit the market price to be higher.

The CHAIRMAN. And that wouldn't affect the price. I mean, it wouldn't fix the price according to your—

Mr. SHUMAN. That is our contention.

The CHAIRMAN. Yes.

Mr. SHUMAN. Senator, I should like to call to the attention of the committee that the four or five lines on page 6 of our statement say in effect that we will be coming back, be glad to come back with recommendations on legislation for wheat, feed grain, and cotton.

The CHAIRMAN. I know that. You want to put them all together. That is what you want to do and I don't think this committee wants that as far as I can see. We have been dealing with these commodities now for the past 6 or 7 years. As you know, Mr. Shuman, as chairman of this committee, I did all I could to remove the 55 million acre minimum in the wheat bill. It took a long time to do that and we have gotten rid of it. That was a cause of our trouble in the wheat production.

Mr. SHUMAN. And we agreed with you.

The CHAIRMAN. Well, of course, and—the thing is, though, that we did remove it and we have got another bill but you are against that bill now. Why don't you give that bill a chance to operate? Let's try it for a while.

Mr. SHUMAN. Which bill?

The CHAIRMAN. The bill that the Congress enacted last year as to wheat. I think—

Mr. SHUMAN. Well, the Congress didn't enact a bill. They enacted a proposition to submit to farmers. We are in favor of the farmers deciding it.

The CHAIRMAN. Of course, but we have got the bill. We enacted the bill. It is the law. It is the law now and if the farmers do not look favorably at it, what is going to happen is that we will have—they will have no wheat law at all and if you want that, that is what you are going to have because I will tell you one thing, as far as I am concerned, there will be no wheat legislation that I am going to consider during this session of Congress.

Now, I am only one of the committee——

Mr. SHUMAN. Mr. Chairman, there will be wheat legislation in effect if the vote is no.

The CHAIRMAN. Yes.

Mr. SHUMAN. Even if the Congress does not act.

The CHAIRMAN. Well, that is 50 percent price supports for those who comply.

Mr. SHUMAN. We have not——

The CHAIRMAN. Are you satisfied with that?

Mr. SHUMAN. No.

The CHAIRMAN. Of course you are not.

Mr. SHUMAN. We have said we will recommend other legislation.

The CHAIRMAN. Well, the legislation you are going to recommend is the same one you have been presenting to this committee I presume for the past 10 years.

Mr. SHUMAN. No.

The CHAIRMAN. And that is diversion of acres, diversion of acres program.

Mr. SHUMAN. That is only part of our recommendation.

The CHAIRMAN. But I say this is a big part of it.

Mr. SHUMAN. Of course, there is diversion of acres in the feed grain program.

The CHAIRMAN. I understand that, but there is very little difference except your method would be to appear a little less. You want it on a bid basis, I think. That is the only difference between the two.

Mr. SHUMAN. To correct one other misapprehension, we have not said that feed grain, cotton, and wheat legislation must be all one package. We have said, though, that after the wheat referendum, it will be much—Congress will be in a much better position to judge what the wish of farmers is, whether it is yes or no.

The CHAIRMAN. But you are urging the farmers—when I say you, I mean your organization—you are urging them to vote no, because in your opinion Congress will give them better legislation this year.

Mr. SHUMAN. That is only one——

The CHAIRMAN. I say, that is what you are arguing; isn't it?

Mr. SHUMAN. This is only one——

The CHAIRMAN. I got it from your statement.

Mr. SHUMAN. Yes. This is one of the arguments, that we would hope Congress would pass better legislation.

Senator AIKEN. Wouldn't it be more correct to say Congress can give them adequate legislation this year?

Mr. SHUMAN. Yes. We hope they will and could.

The CHAIRMAN. Congress could.

Senator AIKEN. Congress could restore original support prices and the President could sign the legislation.

Senator HICKENLOOPER. Just one interruption. Mr. Shuman asked that the analytical statement of his, applying the figures which were referred to between you and Mr. Shuman a while ago, that he be permitted to put that in the record.

The CHAIRMAN. Surely.

Senator HICKENLOOPER. I take it he has the authority.

The CHAIRMAN. Sure.

Mr. SHUMAN. Thank you.

The CHAIRMAN. We want all the light we can get on this subject.

Now, I have a table similar to the one I have just introduced for corn as it applies to sorghums. Mr. Shuman, I would like to call your attention to the fact that you had increased production. You have had an increased utilization, a little sharper, I presume, than it was in corn. And again this table shows that everything went up, that is, production, utilization, export, stocks, but the prices went down. And yet it was only when the 1961 grain program came into effect that you had a reduction in production. And I ask that that table be put in the record at this point.

(The table referred to follows:)

Production, utilization, and carryover stocks of sorghum grain, plus 1961-63 estimates without feed grain program

[All figures represent millions of bushels except support price]

| Crop | Production for grain | Utilization | | Carryover stocks at end of marketing year for crop | Support price (per bushel) |
|---------------------------------------|----------------------|-------------|---------|--|----------------------------|
| | | Domestic | Exports | | |
| 1954----- | 236 | 135 | 48 | 75 | \$1.28 |
| 1955----- | 243 | 170 | 66 | 81 | 1.00 |
| 1956----- | 205 | 185 | 22 | 79 | 1.10 |
| 1957----- | 568 | 281 | 57 | 309 | 1.04 |
| 1958----- | 581 | 281 | 100 | 510 | 1.02 |
| 1959----- | 555 | 385 | 99 | 581 | .85 |
| 1960----- | 620 | 428 | 71 | 702 | .85 |
| 1961: | | | | | |
| Actual----- | 480 | 422 | 99 | 661 | 1.08 |
| Estimated, with 1960-type program---- | 665 | 473 | 99 | 795 | .85 |
| 1962: | | | | | |
| Actual----- | 509 | 445 | 100 | 625 | 1.08 |
| Estimated, with 1960-type program---- | 670 | 490 | 100 | 875 | .85 |
| 1963: | | | | | |
| Estimate----- | 565 | 515 | 100 | 575 | 1.12 |
| Estimated, with 1960-type program---- | 700 | 500 | 100 | 975 | .85 |

NOTE.—Carryover stocks without program assume continuation of 1960-type program in 1961, 1962, and 1963.

Mr. SHUMAN. Well, our statement will deal with that, too.

Senator JOHNSTON. But you are going back to that program, aren't you?

Mr. SHUMAN. No, sir. No, sir. Our program is not to go back to any previous program. We have a different program.

Senator JOHNSTON. You are against this legislation.

Mr. SHUMAN. Yes, sir.

Senator JOHNSTON. And you are for the legislation we had prior to that?

Mr. SHUMAN. No. We are making new suggestions. Let me say this, that after the atmosphere has cleared, has been cleared by the wheat vote, then it will become apparent to many people as to what

farmers really want, whether they want more or less control. This is a real issue in this referendum.

Now, we have made suggestions to the Congress. It might be in the light of the wheat referendum we would make other suggestions. Other groups will make suggestions. It is our contention that this committee and the similar committee in the House would be in a much better position to judge what kind of legislation would be workable, acceptable, by farmers after the wheat referendum which is an important issue in this country.

The CHAIRMAN. Well——

Senator JOHNSTON. Do you believe they won't vote to go back to 50 percent?

Mr. SHUMAN. I think it is a very good possibility that the wheat farmers will vote "no" in the referendum. A very good possibility.

Senator JOHNSTON. Why should they want that?

Mr. SHUMAN. Well, there are very many reasons why wheat farmers are inclined to vote "No." One of them is that this new compensatory payment scheme and the two-price scheme, rather I should say the two-price scheme in the wheat referendum or in the wheat certificate plan is just another way to control production of farmers.

In other words, they now have—they have had wheat programs in the past where they had allotments. Now they are going to have certificates, which is a double control feature.

Another reason why many of them are voting is because the Secretary of Agriculture has tremendous authority to make further reductions. They have seen that in order to induce a favorable vote in the referendum this year, the program as outlined by the Administrator is a gentle cut and they know that under the laws adopted by the Congress, if it is approved in referendum, the cut next year will be much more severe. They also recognize that this is opening the door to stricter control programs for all commodities. They are not in favor of livestock controls or dairy controls or poultry controls. And they know that a "Yes" vote is going to be interpreted as an invitation for this kind of program.

There are many other reasons.

Senator JOHNSTON. That doesn't affect those programs whatsoever. You know that.

Mr. SHUMAN. No. I disagree with you, Senator. If this wheat referendum is approved by the wheatgrowers, it is going to be an open invitation to extend the same kind of controls.

Senator JOHNSTON. There is no legislation.

Mr. SHUMAN. No, but there will be. Nobody has argued the other way. They have all said that this is an issue. The Secretary of Agriculture and the President of the United States said this is a real primary issue.

Senator JOHNSTON. Now you are surmising and dreaming up——

Mr. SHUMAN. No, sir. The President of the United States in his message to the Farmers Union National Convention in New York a couple or 3 months ago said that this is one of the most important issues in American agriculture and that it will decide whether or not farmers want to move toward greater Government supply management. I could put it in the record if you wish.

The wheat referendum later this spring in which producers of wheat will vote for or against the 1964 wheat program will be an important test of this policy, and up here he referred to the policy—

and will show whether or not farmers want a national policy of farm supply and farm income stabilization.

The CHAIRMAN. Well, I tell you, Mr. Shuman, I hope and pray the farmers of this Nation vote favorably for the wheat program because it will be, in my opinion, for their own good.

If there are any kinks in the present law, of course, this committee I am sure will be only too happy to correct them.

Mr. SHUMAN. Of course, this encourages me a great deal, Senator, because it indicates that this committee and the Congress could come up with new legislation as well as correct any kinks. And I hope and pray that the wheat farmers of America turn it down on the referendum because it is one of the most restrictive control devices ever seriously proposed in American agriculture.

The CHAIRMAN. Well, it is a funny thing, we passed it in spite of your organization. I think your organization was the only organization of any consequence opposed to it.

Mr. SHUMAN. Well, I think you will find that there are others who were opposed to it, too. I don't want to judge whether or not—

The CHAIRMAN. I mean farm organizations.

Mr. SHUMAN. I don't want to judge whether the consequences—

The CHAIRMAN. Yes. Well, now, I would like to insert at this point another table showing the total stocks of all feed grains at the end of the marketing year beginning with the year 1952, and again, Mr. Shuman, I would like to call your attention to the fact that in 1952, the carryover—total feed grain—was 27 million tons, or 1,077 million bushels, and in 1953 it increased to 31.7 million tons, which when reduced to bushels, makes it 1.24 billion bushels. And on down to 1960 when the carryover in feed grain was 84.7 million tons or 3,188 million bushels. And in 1961, the year that this program came into effect, the total feed grain carryover was reduced from 84.7 million to 71.8, and in 1962, down to 61 million tons, and in 1963 it is projected to 53.5 million tons, and using the same ratio or estimation for 1964 and 1965, the tonnage would be reduced in 1964 to 46.6 million tons, and in 1965 to 45 million tons, which is supposed to be a fair amount to carry. I ask that this table be put in the record. In this table will also be shown estimated carryovers if the program had not been in effect, and for 1963, for instance, the estimated carryover instead of being 53.3 million tons, it would have been 114.4 million tons.

(The table referred to follows:)

TABLE 2.—Total stocks of feed grains at end of the marketing year

| Crop | Corn ¹ | Grain sorghums ¹ | Barley ¹ | Oats ¹ | Total, 4 feed grains | |
|---|-------------------|-----------------------------|---------------------|-------------------|----------------------|---------|
| | | | | | Million tons | Bushels |
| 1952..... | 769 | 8 | 51 | 249 | 27.0 | 1,077 |
| 1953..... | 920 | 22 | 71 | 227 | 31.7 | 1,240 |
| 1954..... | 1,035 | 75 | 131 | 303 | 39.1 | 1,544 |
| 1955..... | 1,165 | 81 | 117 | 346 | 43.2 | 1,709 |
| 1956..... | 1,419 | 79 | 127 | 240 | 48.8 | 1,865 |
| 1957..... | 1,469 | 309 | 169 | 324 | 59.0 | 2,271 |
| 1958..... | 1,524 | 510 | 195 | 366 | 67.5 | 2,595 |
| 1959..... | 1,787 | 581 | 167 | 267 | 74.6 | 2,802 |
| 1960..... | 2,008 | 702 | 153 | 325 | 84.7 | 3,188 |
| 1961..... | 1,640 | 661 | 123 | 277 | 71.8 | 2,701 |
| 1962..... | 1,300 | 625 | 125 | 275 | 61.0 | 2,325 |
| 1963, estimated..... | 1,095 | 575 | 110 | 250 | 53.3 | 2,030 |
| Estimated if H.R. 4997 is enacted: | | | | | | |
| 1964..... | 965 | 470 | 100 | 250 | 46.6 | 1,785 |
| 1965..... | 950 | 430 | 100 | 250 | 45.0 | 1,730 |
| Estimates if programs had not been in effect: | | | | | | |
| 1961..... | 2,210 | 795 | 123 | 277 | 91.5 | 3,405 |
| 1962..... | 2,550 | 875 | 150 | 275 | 103.9 | 3,850 |
| 1963..... | 2,825 | 975 | 150 | 275 | 114.4 | 4,225 |

¹ In millions of bushels.

Source: USDA.

Senator JOHNSTON. Figuring what the cost of storage would be on that additional?

The CHAIRMAN. No. We have got that here somewhere. I don't want to take all the time of the committee. I would like simply to insert these other tables that I have in the record without comment. And in all of these statements, no matter how you analyze them, it is shown that these programs have reduced the carryover and also reduced the cost of the program and the amount of investment that the Commodity Credit Corporation has on hand. And I ask that these tables be put in the record at this point, and, Mr. Shuman, you will have an opportunity to look over these tables and analyze them as you please, sir.

(The four tables referred to follows:)

Effect on CCC investment caused by feed grain program

| Year—Marketing year beginning Oct. 1 | Corn | | Sorghum grain | | Total corn and sorghum | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | Quantity | Value | Quantity | Value | Quantity | Value |
| | <i>Million bushels</i> | <i>Million dollars</i> | <i>Million bushels</i> | <i>Million dollars</i> | <i>Million bushels</i> | <i>Million dollars</i> |
| 1954..... | 716.4 | 1,135.9 | 34.4 | 51.4 | 750.8 | 1,187.3 |
| 1955..... | 857.6 | 1,371.3 | 76.1 | 108.5 | 933.7 | 1,479.8 |
| 1956..... | 1,109.1 | 1,770.5 | 88.4 | 101.6 | 1,197.5 | 1,872.1 |
| 1957..... | 1,259.9 | 1,953.8 | 99.8 | 116.1 | 1,359.7 | 2,069.9 |
| 1958..... | 1,353.8 | 2,027.5 | 330.3 | 401.9 | 1,684.1 | 2,429.4 |
| 1959..... | 1,400.6 | 2,034.1 | 515.3 | 612.4 | 1,915.9 | 2,646.5 |
| 1960..... | 1,702.2 | 2,291.7 | 583.7 | 673.4 | 2,285.9 | 2,965.1 |
| 1961..... | 1,927.3 | 2,389.6 | 716.7 | 773.0 | 2,644.0 | 3,162.6 |
| 1962..... | 1,556.1 | 1,760.3 | 684.1 | 734.4 | 2,240.2 | 2,494.7 |
| 1963 estimated..... | 1,215.0 | 1,458.0 | 610.0 | 658.6 | 1,825.0 | 2,116.6 |

Reduction in production of corn and grain sorghum below 1960 crop

[In millions of bushels]

| Year | Corn | | Grain sorghum | | Total corn and sorghum | |
|-----------|------------|---------------------------------------|---------------|---------------------------------------|------------------------|---------------------------------------|
| | Production | Reduction caused by diversion program | Production | Reduction caused by diversion program | Production | Reduction caused by diversion program |
| 1960..... | 3,908 | ----- | 620 | ----- | 4,528 | ----- |
| 1961..... | 3,626 | -282 | 480 | -140 | 4,106 | -422 |
| 1962..... | 3,644 | -264 | 509 | -111 | 4,153 | -375 |

Change in utilization of feed grains, 1954-62 crops

[Millions of bushels]

| Crops | Corn | | | | Grain sorghums | | | |
|--------------------------------|----------|---------|-------|---------------------|----------------|---------|-------|---------------------|
| | Domestic | Exports | Total | Change ¹ | Domestic | Exports | Total | Change ¹ |
| 1953..... | 2,635 | 97 | 2,732 | ----- | 86 | 15 | 101 | ----- |
| 1954..... | 2,493 | 101 | 2,594 | -138 | 135 | 48 | 183 | +82 |
| 1955..... | 2,624 | 120 | 2,744 | +150 | 170 | 66 | 236 | +53 |
| 1956..... | 2,639 | 183 | 2,822 | +78 | 185 | 22 | 207 | -29 |
| 1957..... | 2,798 | 198 | 2,996 | +174 | 281 | 57 | 338 | +131 |
| 1958..... | 3,075 | 228 | 3,303 | +307 | 281 | 100 | 381 | +43 |
| 1959..... | 3,334 | 228 | 3,562 | +259 | 385 | 99 | 484 | +103 |
| 1960..... | 3,396 | 292 | 3,688 | +126 | 428 | 71 | 499 | +15 |
| Total of changes, 1954-60..... | ----- | ----- | ----- | +956 | ----- | ----- | ----- | +398 |
| 1961..... | 3,562 | 433 | 3,995 | +307 | 422 | 99 | 521 | +22 |
| 1962 (estimated)..... | 3,610 | 375 | 3,985 | -10 | 445 | 100 | 545 | +24 |

| Crops | Oats | | | | Barley | | | |
|-----------------------|----------|---------|-------|---------------------|----------|---------|-------|---------------------|
| | Domestic | Exports | Total | Change ¹ | Domestic | Exports | Total | Change ¹ |
| 1953..... | 1,252 | 3 | 1,255 | ----- | 246 | 19 | 265 | ----- |
| 1954..... | 1,338 | 16 | 1,354 | +99 | 301 | 43 | 344 | +79 |
| 1955..... | 1,427 | 29 | 1,456 | +102 | 342 | 103 | 445 | +101 |
| 1956..... | 1,248 | 27 | 1,275 | -181 | 331 | 62 | 393 | -52 |
| 1957..... | 1,202 | 28 | 1,230 | -45 | 334 | 92 | 426 | +33 |
| 1958..... | 1,330 | 32 | 1,362 | +132 | 348 | 117 | 465 | +39 |
| 1959..... | 1,108 | 45 | 1,153 | -209 | 350 | 118 | 468 | +3 |
| 1960..... | 1,070 | 29 | 1,099 | -54 | 375 | 86 | 461 | -7 |
| Total of changes..... | ----- | ----- | ----- | +156 | ----- | ----- | ----- | +196 |
| 1961..... | 1,039 | 21 | 1,060 | -39 | 360 | 84 | 444 | -17 |
| 1962 (estimate)..... | 1,010 | 27 | 1,037 | -21 | 340 | 65 | 405 | -39 |

| | Corn | Grain sorghums | Oats | Barley | Total |
|-------------------------------------|------|----------------|------|--------|-------|
| Change to utilization: ¹ | | | | | |
| 1954 to 1960 average..... | +137 | +57 | -22 | +28 | +200 |
| 1961..... | +307 | +22 | -39 | -17 | +273 |
| 1962..... | -10 | +24 | -23 | -39 | -48 |

¹ Change in utilization from preceding year.

Source: Through 1959 U.S. Supply and Distribution, Grain Division, Program Analysis Branch, ASCS, June 1962.

TABLE 10.—*Feed grains: Acres harvested and yields, 1953-62*

| Year | Corn | Grain sorghums | Barley | Oats | Total 4 feed grains |
|---|------|----------------|--------|------|---------------------|
| Millions of acres | | | | | |
| 1952 | 71.4 | 5.3 | 8.2 | 37.0 | 121.9 |
| 1953 | 70.7 | 6.3 | 8.7 | 37.5 | 123.2 |
| 1954 | 68.7 | 11.7 | 13.4 | 40.6 | 134.3 |
| 1955 | 68.5 | 12.9 | 14.5 | 39.0 | 134.9 |
| 1956 | 64.9 | 9.2 | 12.9 | 33.3 | 120.3 |
| 1957 | 63.1 | 19.7 | 14.9 | 34.1 | 131.7 |
| 1958 | 63.5 | 16.5 | 14.8 | 31.2 | 126.1 |
| 1959 | 72.1 | 15.4 | 14.9 | 27.8 | 130.2 |
| 1960 | 71.6 | 15.6 | 13.9 | 26.6 | 127.8 |
| 1961 | 58.4 | 11.0 | 12.9 | 24.0 | 106.3 |
| 1962 | 56.8 | 11.5 | 12.4 | 22.9 | 103.8 |
| Crop yields: bushels per harvested acre | | | | | Pounds |
| 1952 | 41.8 | 17.0 | 27.7 | 32.9 | 1,820 |
| 1953 | 40.7 | 18.4 | 28.4 | 30.7 | 1,757 |
| 1954 | 39.4 | 20.1 | 28.4 | 34.8 | 1,699 |
| 1955 | 42.0 | 18.8 | 27.8 | 38.3 | 1,792 |
| 1956 | 47.4 | 22.2 | 29.3 | 34.5 | 1,984 |
| 1957 | 48.3 | 28.8 | 29.8 | 37.9 | 2,011 |
| 1958 | 52.8 | 35.2 | 32.3 | 44.8 | 2,286 |
| 1959 | 53.1 | 36.0 | 28.3 | 37.9 | 2,298 |
| 1960 | 54.5 | 39.8 | 30.9 | 43.4 | 2,435 |
| 1961 | 62.0 | 43.8 | 30.6 | 42.2 | 2,645 |
| 1962 | 64.1 | 44.1 | 34.5 | 45.0 | 2,758 |

Source: Crop Production, 1962 Annual Summary, USDA, Apr. 27, 1963.

Mr. SHUMAN. Thank you, Mr. Chairman.

I just want to repeat this point, that in agricultural production cycles are more common than trends and any projections based on trends are probably not worth the paper they are written on, whether they are mine or the Department of Agriculture's.

The CHAIRMAN. But it is funny, though, as I repeat, that all of these tables, every one of them has shown a decrease at every instance when the program came into effect. The one you oppose.

Senator Aiken?

Senator AIKEN. Yes. First I would like to state that as long as we have mentioned the increase in carryover of grains from 20 million tons, I believe, into 1952, up to 84.7 million into 1961, during the same period the disappearance increased from 105.8 million tons to 154 million. In other words, we are using 50 million tons more of grain a year now than we did in 1952 and if we only had the same production, we would have been completely out of grain and half-starved at this point.

I haven't any particular questions from Mr. Shuman. I do have a little matter of policy, Mr. Chairman. The other day we had the Secretary up here for a considerable length of time. We asked him questions, and he answered the questions and apparently after he got back to the office, he found that he could have given from his point of view better answers to some of the questions. So he wants to change the reply.

I have no objection to his reconsidering the answers he gave but I will say that they will put some of those who asked the questions in an awkward position, so I would request the testimony of the Secretary of Agriculture as well as the other witnesses be printed in the report as given and then if they have subsequent statements to make

or wish to change the substance of their reply, that it be printed immediately following the reply as a statement subsequently received from the witness.

The CHAIRMAN. Well, that is a fair request. And as far as the Chair is concerned, it would seem to me that any testimony given here should not be changed, the basic testimony, except that I think it is usual if a mistake has been made in giving the figures, let us say like bushels——

Senator AIKEN. If it is in the figures or if it is grammatical, no objection whatsoever.

The CHAIRMAN. And then you are suggesting that if any additional explanatory statements are in order, that they be permitted.

Senator AIKEN. Yes, sir. Any corrective statements.

The CHAIRMAN. Is there any objection to that?

Senator AIKEN. There are a couple of replies to questions I asked where the subsequent answer is probably more correct than the one he gave me first.

The CHAIRMAN. Well, as the Senator——

Senator AIKEN. Offhand——

The CHAIRMAN. As the Senator knows, we don't go under the rules here so much——

Senator AIKEN. That is right.

The CHAIRMAN. And what we are trying to get is light and we need it badly.

Senator Johnston?

Senator JOHNSTON. No.

Senator AIKEN. I might add this, Mr. Chairman; I do not see the need for the emergency feed grain program at this time, because, according to my figures, we have 3 billion bushels of grain on hand, and we will use a good share of it before the beginning of the next marketing year.

As I estimate it roughly, we only have a reserve of about 3½ months' supply of feed grain, and I do not call that an unreasonable amount to carry over.

When you come to the policy of production control of food supply, well, that is a more basic question.

But as for the supply of grain we have on hand, I am very happy we do have 3 or 4 months' supply more than is actually needed this marketing year. That is all.

The CHAIRMAN. Senator Young.

Senator YOUNG. Yes.

Mr. Shuman, it appeared to be your contention or your argument a little while ago to the chairman of the committee that idling these acres under the present program did not do anything to reduce surpluses.

Mr. SHUMAN. No, I think the feed grain program has done very little, in net, to—in fact, we are seeing now an increase in production. 1962, total feed grain production was higher than the 1961. And the effect upon the livestock situation has been terrific.

I would like, Mr. Chairman, if Mr. Hill would comment on this phase of it.

Senator YOUNG. I would like to finish this first, if you would like to answer it.

Mr. SHUMAN. Yes.

Senator YOUNG. Was not your argument 3 years ago when the program first started that this would wreck the feeding industry, would increase prices, and so on?

Mr. SHUMAN. When this feed grain legislation was first passed, in 1961 we said that the effect of this would be to stimulate livestock production and break the prices to livestock farmers, which it has done.

Senator YOUNG. By increasing feed grain prices or decreasing them?

Mr. SHUMAN. By stimulating the production of feed grains over what it would have been.

Senator YOUNG. Your argument now is that an overabundance of cheap feed grain does have an adverse effect on meat prices?

Mr. SHUMAN. Yes. Cheap feed means cheap livestock.

Senator YOUNG. I hope you always stick with that argument.

Mr. SHUMAN. Certainly I try to.

Senator YOUNG. Sometimes the organization tries to vary from it.

Mr. SHUMAN. No.

Senator YOUNG. Now, in these 3 years of the feed grain program the total of about 79 million acres have been taken out of production, is it your argument that this did not do anything to curtail surpluses?

Mr. SHUMAN. In the first year it may have halted a buildup. We do not know. But certainly there is no evidence that it reduced production overall.

Senator YOUNG. Now, last year when you testified before this committee, in answer to a question of mine you said that your plan proposed a land retirement program of from 65 to 80 million acres. How can you argue that retiring 79 million acres in the past 3 years has done nothing to curtail surpluses but that your new program of 65 to 80 million acres will solve the surplus problem?

Mr. SHUMAN. I think, Senator, you will find that in the questioning, cross-examination, we were asked what we thought would be the effect, and we stated that a retirement of acreage of total cropland would have a greater impact on production than the specific corn or feed grain retirement program because we were not recommending any certain prices to be coupled with it for the specific commodity.

Furthermore, one of the main purposes of our cropland retirement program is to provide a means for the farmer who wants to make an adjustment to some other kind of production to do it, to encourage him to do it, and it is not the prime purpose to reduce total production; it is to provide for an adjustment mechanism so that he can make the shifts individual ones.

Now, I think it would—of the size of reduction that we propose, there would be some short-term reduction in production.

Senator YOUNG. But your huge land retirement program would be effective in curtailing surpluses?

Mr. SHUMAN. In a short time I think it would do a good deal. But any land retirement in time—if it is coupled with a price support program, that is, incentive, would not be effective; and we did not propose an incentive price, and this is why ours would work.

Senator YOUNG. Yours is not a powerful argument for the Farm Bureau cropland adjustment program.

Mr. SHUMAN. Coupled with a lower price support, it is.

Senator YOUNG. But you think that a price is the big thing, not the land retirement?

Mr. SHUMAN. The higher price support is one of the reasons why this feed grain program has not worked any better than it has.

Senator YOUNG. Do you favor the provision in the present law that provides 50 percent price supports for feed grain; do you want to keep that? Is that your major reason for opposing that feed grain bill?

Mr. SHUMAN. No. We have three suggestions on feed grain.

No. 1, that we have a sizable cropland in retirement land program.

No. 2, that price supports be related to the market price of grain.

No. 3, that Commodity Credit not be permitted to dump feed grain on the market at less than 115 percent of the support price, whatever the support price would be.

Senator YOUNG. Of course, every Secretary has had this problem of getting rid of surplus. You will recall that Secretary Benson had a fire sale on corn during the first few days he was in office. They all have to get rid of these surpluses some way or other.

Are you opposed to the substitution provision in the wheat certificate plan in this feed grain program bill?

Mr. SHUMAN. We are opposed to enactment of the feed grain bill until after the wheat referendum, and then we would be very glad to make suggestions on wheat, feed grain, cotton legislation.

Senator YOUNG. But are you opposed to this principle of substitution?

Mr. SHUMAN. We have not taken a position, either here or previously, as to any of the specific recommendations—or specific provisions in this legislation. I do not think we have taken a position, have we? Maybe there is a—what is it?

Excuse me while I check our statement.

Oh, yes. At the bottom of page 2, we favor spelling out the conditions under which wheat may be grown on feed grain acres to avoid undue disruption of the feed grain and livestock situations. In other words, we do not believe in giving carte blanche authorities.

Senator YOUNG. You do not believe in giving farmers complete freedom, then, to interchange feed grain with wheat?

Mr. SHUMAN. Certainly if the intention is to have some type of control on feed grain and wheat, there must be some rules laid down.

Senator YOUNG. But you are afraid to give this freedom to raise feed grain or wheat, whatever they want to on their farm?

Mr. SHUMAN. No. Because if the Congress will follow our recommendations, that is exactly what we propose—a cropland retirement program with no controls on wheat or feed grains either one; let them grow what they wish.

Senator YOUNG. Why are you opposed to the substitution provision? This gives them exactly what you indicated.

Mr. SHUMAN. This gives the combination of price support and the retirement. It is a combination of an attempt to assign specific commodity allotments and then provide for the almost open transfer between the two crops. This is quite different.

Senator YOUNG. Mr. Shuman, if you will read the bill, it only provides a price support at \$1.30 a bushel for any wheat they produce on feed grain acreage.

Mr. SHUMAN. No price support——

Senator YOUNG. But this is about the price level you are advocating.

Mr. SHUMAN. That is true, as far as the substituted wheat.

Senator YOUNG. Yes. That is what I am talking about.

Mr. SHUMAN. But this is not true as far as the bill as a whole.

Senator YOUNG. Do you think the use of the substitution provision would mean an increase in the feed grain production or an increase in the wheat production?

Mr. SHUMAN. It would increase wheat production, undoubtedly.

Senator YOUNG. And reduce feed grain?

Mr. SHUMAN. Not necessarily reduce feed grain.

Senator YOUNG. Well, if they planted wheat in lieu of the feed grain acres, would that not decrease feed grain?

Mr. SHUMAN. Not necessarily, because the production of feed grains has not been materially affected in the last year by the feed grain program. We have had increased production of feed grain. There is no question about it. So it has not been reduced as the result of—so they could have an increase in production of feed grains. Undoubtedly they are going to, anyway.

Senator YOUNG. Do you think the substitution provision would result in both an increase of feed grain and in wheat?

Mr. SHUMAN. I do not think that the substitution provision is of great value to farmers or anybody else. It is merely a device to try to provide a sales gimmick for those employees of the Department of Agriculture who go out working for a "yes" vote in the referendum.

Senator YOUNG. Well, if they substitute one acreage for the other, feed grain for wheat or vice versa, the result could not be an increase in the production of both of them. It would have to be one or the other.

Mr. SHUMAN. Oh, yes. Because the feed grain producers who are not in the program are going to determine—have more to say about the total production of feed grain than the ones that are under the program, because we have 60 percent that are not under the program and probably have a higher percentage next year, because the trend, if you follow the projections, the projection would show that the participation in feed grain program has been going down each year, and it will go down again next year under this scheme.

Senator YOUNG. I am trying to pin you down to just the substitution provisions, how this would work. As a farm expert you ought to have some knowledge of it.

Mr. SHUMAN. I do not think anybody knows how it will work, because it depends so much on what the Secretary of Agriculture decides will be the rules. He has almost open authority to administer this almost any way.

This is what we have said: If there is going to be a substitution provision, the Congress should spell out the limitations on it.

Senator YOUNG. Would you agree with this statement? This appeared in the Fargo Forum, the biggest daily newspaper in North Dakota, last Friday, and is a statement by Clark Robinson, the president of the North Dakota Farm Bureau Federation.

The excerpt to which I have reference reads:

If the feed grain proposals become law the Secretary of Agriculture has promised interchange of wheat and feed grain acreage. In addition the new bill includes oats and rye. In other words, the 1964 wheat certificate plan, with interchange of feed grain acreage, would leave the production of wheat in North Dakota open except for conserving use acres. With supports on wheat produced on these feed grain acres at \$1.40 (includes 10-cent premium in North Dakota) honest thought would indicate that North Dakota will grow more wheat in 1964 under a "Yes" vote than with a "No" vote.

Would you agree with that statement?

Mr. SHUMAN. I think it is possible.

Senator YOUNG. Do you disagree with that statement?

Mr. SHUMAN. No; because nobody knows. It depends so much upon how the Secretary would administer it. This provision is pretty open.

Senator YOUNG. If North Dakota had a chance to produce more wheat, there certainly would not be a shortage of our kind of wheat, then, would there?

Mr. SHUMAN. That would depend entirely on the decision by the Secretary as to how much leeway he permitted and whether or not he permitted certain kinds of wheat to be substituted. This might—this is a blank check to the Secretary of Agriculture. He has a blank check in the feed grain program as to whether or not he is going to have compensatory payments to pay for most of the feed grain or what the price support is going to be.

Mr. Chairman, here and I have agreed in the past, Mr. Chairman, on the fact that the compensatory payment route was bad for many, many people, many producers in agriculture. And I had hoped we were still in agreement that this compensatory payment feature in the feed grain bill was a very dangerous thing, especially since the Secretary of Agriculture could set the support price as low as he wanted to and make up the difference with payments.

Senator TALMADGE. Mr. Chairman, will the Senator yield at that point?

The CHAIRMAN. The Senator from North Dakota.

Senator YOUNG. I yield.

Senator TALMADGE. Do you think the compensatory payment route is bad for woolgrowers?

Mr. SHUMAN. There is quite a difference between the situation in wool and that of the crops which we are talking about, feed grains, cotton and the others. Because in the case of wool, we do not produce any way near the needs of the country, and either by tariffs, payments or any other device, you could probably set the price of wool anywhere you wanted to and not do tremendous damage to the producers of others.

Senator TALMADGE. You admit that compensatory payments for woolgrowers would have the effect of supporting wool?

Mr. SHUMAN. It has been a very expensive way of supporting the price of wool, and there should be some other way, but it does not have the impact on other commodities in this case that it would—

Senator TALMADGE. You have supported this type of payment for woolgrowers, have you not?

Mr. SHUMAN. I think we opposed it. What did we—

Senator TALMADGE. You supported it.

Mr. SHUMAN. We reluctantly, I guess, supported the wool payment program.

Senator TALMADGE. Do you think compensatory payments is a good way to handle beet sugar and cane sugar production?

Mr. SHUMAN. Again you are talking about a commodity which is produced not in sufficient quantities for our own consumers, and as I said in the case of wool, you can use tariffs, you can use payments, you can use any kind of device. Our contention on the matter of compensatory payments, price supports, is not that they are evil but they do not work.

Senator TALMADGE. You will admit that it is a price-support program, will you not?

Mr. SHUMAN. It is a price-support program, and you can set that price almost at will if you are willing to cause the consumers to pay the penalty.

Senator TALMADGE. You will admit that you in the Farm Bureau have supported it for both wool and beet sugar and cane sugar growers, will you not?

Mr. SHUMAN. Well, sugar does not have compensatory payments. It has a different type of device, as I think you know, and——

Senator TALMADGE. It is the same thing.

Mr. SHUMAN. But we have supported—we have said repeatedly we favor the tobacco program, we have supported the wool program, we have supported the sugar program.

The reason why we support them is because in these circumstances they work. And the reason we are opposed to the same kind of program for cotton or feed grain or wheat is because they do not work, and we have had 30 years' experience to prove it.

Senator TALMADGE. As a matter of fact, if you will check the record, you will find in 1938 it was used for cotton and it did work. The exports went up phenomenally at that time.

Mr. SHUMAN. 1938 was over 20 years ago, and what would work in 1938, I submit, would not necessarily work today.

Senator TALMADGE. I am trying to point out the fact that your views are totally inconsistent when you favor compensatory payments in one area and oppose them in another.

And the situation is there. If we have price supports, if the Government loses money on them, the taxpayers in the final analysis foot the bill anyway. So if you are going to disguise your subsidy by taking the commodity into a warehouse, paying the expensive storage costs on it, having an army of bureaucrats to supervise it, ship it, and store it, and sell it, and finally give it away, you are going to compound your cost to the taxpayers. It is that simple.

Mr. SHUMAN. Well, Senator, on this matter of compensatory payments, as I mentioned a moment ago, my reason for opposition to compensatory payments for cotton particularly, Mr. Chairman, and for feed grains and wheat is that the circumstances in the production of these crops is far different from that of a deficit commodity such as sugar or wool.

And this is not inconsistent at all; this is recognition that different devices work differently with different crops. And I think we must recognize this after 30 years of experience.

It is not that the compensatory payment route is necessarily evil, but it does not work, it will not work, it will result in an extremely high cost and a stimulation of production and increase in unit costs just as high price supports have.

The CHAIRMAN. Senator Young.

Senator YOUNG. Mr. Shuman, are you opposed to the acreage controls, the marketing controls under the sugar program?

Mr. SHUMAN. Our statement on the sugar program was that we favored an increased allocation to domestic producers. We have not opposed the continuation of the program as such. I do not recall what further we said in our statement on the last statement we presented on it. I would be glad to look it up and present it for the record.

Senator YOUNG. But these are stiff acreage controls. No new producer can get into the business except when the Department of Agriculture issues a little additional allotment.

Mr. SHUMAN. Well, Senator, they have not been attempts to reduce production; they have been allocations to hold it where it was; and we have urged increases in the allocations of domestic producers.

Senator YOUNG. This is not regimentation, though?

Mr. SHUMAN. No. It is far different from the attempt to roll back production.

Senator YOUNG. But it is all right to——

Mr. SHUMAN. We are on the side of increasing production.

Senator YOUNG. But it is all right to have stiff acreage controls in the one case and not the other?

Mr. SHUMAN. We approached this not from a question of right or wrong, evil or anything else, but from what works in feed grains will not necessarily work in sugar. And it has been demonstrated that the feed grain program, by two years' experience, has not been working. It has stimulated increased production and it has fallen quite heavily on the livestock feeders.

Senator YOUNG. At the last convention of the American Farm Bureau Federation you proposed price supports for wheat at 50 percent of parity or the world price, whichever is the higher. Are you working toward a world price in farm commodities, a price support based on world prices for wheat and other commodities too, such as sugar and wool?

Mr. SHUMAN. Well, we said that the price support on wheat we recommended be supported at 50 percent parity or the world—average of the last 3 years' world price, whichever was higher; not because we favor the world price for wheat or 50 percent of parity, but because we favor this to be the price-support level and let the various grades and qualities of wheat command a premium on the market which they do otherwise.

The penalty on the high quality producers of wheat, many of whom—much of which is produced in your State, and under the program is tremendous, because at the present time the great stocks in the study made by Macalester College, up in Minneapolis-St. Paul, which demonstrates this quite well—one of the five classes of wheat that is Hard Red Winter has 82 percent of the stocks in Commodity Credit, and of these stocks the largest portion of them are relatively unmarketable for milling purposes. They happen to be the kind of quality that is of feed grain quality, and it comes not from the Northwest or the traditional wheat areas, but it comes primarily from the areas which were brought in as a result of the 15-acre exemption, Senator; and I happen to live in an area where we produce mixed wheat, regardless of what seed we produce. We have been stimulated to go into the production of wheat, and my own county, almost ten times as many wheat producers now as there were in 1933.

I was on the original Wheat Control Committee in our county. We had something over a hundred producers. Now we have got 12, 1,300 in our little county.

Senator YOUNG. Well, the actual fact is that the wheat in shortest supply is Soft Red Winter wheat, which is produced principally in the area east of the Mississippi River and under the 15-acre exemption.

Mr. SHUMAN. Some of the Red area in the southern part of the Corn Belt, but the Mixed wheat area is the area which tries to produce Hard Red Winter but produces a mixed wheat.

Senator YOUNG. I just have one more question, Mr. Chairman.

Let me read a paragraph from the April 22, 1963, issue of the American Farm Bureau "Official News Letter." You can have the whole article in the record, if you want it. I read this:

On the other hand, supplies of Soft Red Winters, estimated at 24 million bushels, represent less than 2 percent of the total carryover. There is no surplus of Soft White wheat either, the carryover last July being computed at only 21 million bushels. In great demand, but also in short supply, is high quality Hard Red Spring wheat, with the carryover computed at less than the annual domestic offtake, and what there is of it—

and listen to this—

consisting in the main of low quality grain.

And do you believe that most of the carryover of Hard Red Spring wheat is of low quality?

Mr. SHUMAN. Most of the wheat in the hands of the Commodity Credit, either of Red Winter or Hard Red Spring is of the lower quality of the crop.

Now, as I said a moment ago, 82 percent of the Commodity Credit stocks, according to this study at Macalester College, 82 percent is of Hard Red Winter.

Senator YOUNG. Will you answer my question?

Mr. SHUMAN. But the largest proportion is of low quality Hard Red Winter.

Now, the quality of Hard Red Spring in the Commodity Credit stocks would undoubtedly be better than that of the Hard Red Winter, because they do not have quite this problem.

Senator YOUNG. Let me read it again: " * * * and what there is of it"—talking of Hard Red Spring wheat, the carryover in the main is of low quality.

Now let me read you this again from last Friday's Farm Forum:

Wheat stocks in North Dakota storage facilities on and off the farms as of April 1 was the largest for that date in the 21 years these records are available, according to the North Dakota Crop and Livestock Reporting Service.

Now, may I ask you again? There are about 235 million bushels of the Hard Red Spring wheat on hand as of April 1. Do you believe this story in your paper is correct, that most of this is of low quality?

Why do you not answer "Yes" or "No"?

Mr. SHUMAN. I will answer it "Yes" or "No," Senator.

Yes. I believe that most of that in Commodity Credit's hands of the—in Commodity Credit hands is of the lowest end and quality of the crop.

Senator YOUNG. There were 147 million bushels on hand in North Dakota on April 1 compared with 90,988,000 a year ago, and the 5-year average of 102 million. About half of this was on farms and half was in commercial storage in North Dakota. This wheat stored on the farms is of a fine quality, none of it is older than 1958 crop wheat. And all of this in commercial storage is under a uniform warehouse agreement, where the warehouseman has to guarantee the quality.

Mr. SHUMAN. Perhaps our wording is not clear. But our intention is to say in that article that the stocks held by the Commodity Credit are of lower quality; not the commercial stocks or the stocks on farms.

Senator YOUNG. The article says "most of the carryover"; and most of the carryover is in commercial storage or on the farms.

Mr. SHUMAN. I am sure that this is based upon the Macalester study, and it was dealing only with Commodity Credit carryover and not intended to be a judgment as to the quality of the stocks in farmers' hands on the farm or in commercial storage. Because the reason the Commodity Credit stocks are of lower quality—and this is definitely pointed out in the study—the reason they are of lower quality is because the commercial stocks and the ones on farms are of the higher quality. They turn over to the Government the poor quality.

Senator YOUNG. Mr. Shuman, this is the kind of propaganda being put out by your organization in an effort to defeat the referendum. Why do you carry an inaccurate article like that?

Mr. SHUMAN. Mr. Chairman, this is not inaccurate. We may have said it poorly, but this not inaccurate.

The Commodity Credit stocks of wheat are of the poorer quality crop. Now, this does not mean to say that Hard Red Winter wheat is less of total stocks in the Commodity Credit than Hard Red Spring; there is less Hard Red Spring than there is Hard Red Winter in Commodity Credit by far.

Senator YOUNG. Mr. Shuman, what your paper and you are saying is the greatest disservice that has ever been done to the North Dakota Hard Red Spring wheat producers. I gave you a chance to correct it, and you refuse to do it.

Mr. SHUMAN. I do not think it needs correction. Perhaps our language was poor, Senator, but the truth of the matter is that the Commodity Credit stocks of wheat—I am not talking about commercial stocks or on farms—the Commodity Credit stocks of wheat, whether Hard Red Winter or Hard Red Spring, are the lowest end of the quality of the crop.

Senator YOUNG. All of this is of 13 percent protein or better; it is all under warehouse agreements where the warehouse has to guarantee quality. You are familiar with the law, are you not?

Mr. SHUMAN. Yes. But I am also familiar with this study which examined very carefully the qualities of the stocks of Commodity Credit, and shows that the bulk, higher proportion of the stocks held by Commodity Credit are of the low end of the quality of the crop.

Senator YOUNG. And this is not what it says. It says most of the carryover is of low quality.

Mr. SHUMAN. Well, we stand corrected in the way in which we used the English language, but our intention was to say that the Commodity Credit stocks were of the lower quality.

Senator YOUNG. I think that is all.

The CHAIRMAN. Thank you.

Senator Talmadge, any questions?

Senator TALMADGE. What alternatives would you suggest to this feed grain program, Mr. Secretary?

Mr. SHUMAN. Thank you, you're calling me "Mr. Secretary."

Senator TALMADGE. Mr. Shuman. Pardon me.

The CHAIRMAN. Mr. President, it is.

Mr. SHUMAN. No. Our alternative to this feed grain program is No. 1, to wait until after wheat referendum, and then to consider legislation. And our recommendation would be:

No. 1. That we have a cropland retirement program;

No. 2. That the price support of feed grains be a percentage of the average market price of the last 3 years; and,

No. 3. That the Secretary of Agriculture and Commodity Credit Corporation be prohibited from disposing of existing stocks of feed grain on the market unless the price on the market was at least 115 percent of the price support level.

Senator TALMADGE. If you had the land retirement program, how would that differ from this diversion program?

Mr. SHUMAN. Well, our land retirement program would be—we recommend a reduction in the total cropland, rather than trying to measure up and figure out what each farmer should be allocated on the acreage of corn or grain sorghum or every crop.

Senator TALMADGE. That would be predicated on any farm acre the farmer owned, then?

Mr. SHUMAN. It is cropland based on his acreage of cropland.

Senator TALMADGE. Would that not require several hundred million acres to be very effective?

Mr. SHUMAN. No, I do not think so. I think that the experience that we have had in the past with acreage retirement programs indicates that it would take a sizable acreage but it would not be in several hundred millions. There is good experience with past acreage controls. I do not know exactly what it would be.

Senator TALMADGE. Under that program, could not a farmer do the same thing you allege he has done under this—retire so much land, add fertilizer to his remaining portion, and maintain his production?

Mr. SHUMAN. No, sir; I don't believe this would happen.

Senator TALMADGE. With ease, or increase it?

Mr. SHUMAN. He could—each individual farmer, of course, could determine the amount of fertilizer, but it would not have this general effect, because your price support would be related, would be below the market price, and he would be uncertain at the time he was applying fertilizer as to whether the price was going to be \$1.20, \$1.30, or \$1 a bushel. So he is not going to take the chances he will under the present program, where he knows what the price is going to be.

Senator TALMADGE. And to get to your second point, what would your price support program be, under your alternative?

Mr. SHUMAN. Well, our price support program would be a percentage. The last time that we testified on a specific bill, we said 90 percent of the 3-year average market price of corn. We have not specifically made a suggestion this year as to a percentage.

Senator TALMADGE. Approximately what would 90 percent of the last 3-year average price of corn be now?

Mr. SHUMAN. It would be around 95 cents to \$1, according to Mr. Hamilton.

Senator TALMADGE. Your price support program then would be 95 cents to \$1 as compared to \$1.25 under this program; is that correct?

Mr. SHUMAN. Yes, sir.

Senator TALMADGE. No further questions. Thank you, Mr. Shuman.

The CHAIRMAN. Senator Hickenlooper.

Senator HICKENLOOPER. Mr. Shuman, I think most of the questions involved here have been answered; but there are just one or two matters I would like to go into which have been raised in the questions here.

The chairman suggested that it might be well to investigate the American Farm Bureau Federation and its activity in connection with this wheat referendum, and I heard you say that you would have no objection whatsoever, in fact, would welcome an investigation of that kind.

Do you think it would be completely equitable if the investigation also included a thorough investigation of the activities of ASC committeemen on Government time, Government expense, and as Government employees, to support a "yes" vote on this program if the investigation is to be gone into?

Mr. SHUMAN. Yes, sir. We think that this would be appropriate.

The CHAIRMAN. Mr. Shuman, I never suggested that.

Mr. SHUMAN. Yes.

The CHAIRMAN. I read a statement here. I never suggested it. It was a statement sent to me by a member of the Farm Bureau in Nebraska. I never said it should be investigated.

Senator HICKENLOOPER. I understood Mr. Shuman to say they welcomed the investigation, and I thought that is what you were talking about.

The CHAIRMAN. I know, but not emanating from me. I never suggested it, and I do not now.

Mr. SHUMAN. Thank you.

Senator HICKENLOOPER. Well, at least the connotation was injected into the record that an investigation of the Farm Bureau would be in order, whether it came from this other man or otherwise.

Now, you have not had access to any Federal employees under your direction to get out and advocate a "no" vote in this program, have you?

Mr. SHUMAN. Senator, the answer is "No." Perhaps we have not asked for it, but we do not, we are not encouraged to believe that we would succeed, because we have been informed by several of the folks that the instructions were the other way. So I assume that they are working for a "yes" vote.

Senator HICKENLOOPER. Well, but I mean that Government employees are not accessible to you?

Mr. SHUMAN. No.

Senator HICKENLOOPER. For use and direction in operating?

Mr. SHUMAN. They have been very good in giving us information we asked for, but not in helping get a "no" vote or even to consider it objectively. In fact, there is a publication out that purports to give the alternative to the small wheatgrower in this wheat referendum, and in no place does it indicate that the small wheatgrower can vote "no." It is all on the other side of the argument. It is quite heavily slanted.

Senator HICKENLOOPER. Now, do you know whether whatever radio programs any of your group have conducted, whether you have paid for those out of Farm Bureau funds or not?

Mr. SHUMAN. Beg pardon; I did not get the first part of your question.

Senator HICKENLOOPER. Radio programs presenting your views on this; I say do you know whether they have been paid for out of Farm Bureau funds or not?

Mr. SHUMAN. I know the answer, and we have not paid for any radio programs out of Farm Bureau funds of the American Farm Bureau Federation. We have made some tape recordings where we purchased the tape, but we have not paid for any distribution or anything, any playing of them.

Senator HICKENLOOPER. Are you aware that the parity ratio now is the lowest it has been since 1931?

Mr. SHUMAN. Yes, sir; since 1934, I believe, in March.

Senator HICKENLOOPER. With this exception; the Secretary, I think, stated that this month the parity ratio had raised 1 point, which would bring it up to the equivalent of about 1936, I believe. Their records which we had here was that the parity ratio was 77, and that is the lowest it has been since 1931.

But if it went up to 78, then there was one year—about, I believe, 1936, that it was 78. But, in other words, it is the lowest it has been since the thirties.

Mr. SHUMAN. I knew that the parity ratio went down to 77 in March or April, which I have—I did not research for enough back.

Senator HICKENLOOPER. Well, I had the Department of Agriculture records here.

Mr. SHUMAN. Fine.

Senator HICKENLOOPER. And I think I have them right here.

Mr. SHUMAN. I am glad to know that, and I will start correcting it and move back further in my statements.

Senator HICKENLOOPER. I think the record shows that it is the lowest since 1936; that was not disputed the other day.

Now, we have had—is it not the major purpose of the feed grain production in this country to utilize it through animals, in marketing feed grain through animals; that is correct is it not?

Mr. SHUMAN. Yes, sir. That is the major one.

Senator HICKENLOOPER. Well, now, we have gone along with this program for a couple years or so now, or three, and it seems to me the price of hogs and cattle are down about as low as they have been for a good many years, with the possible exception of a low dip temporarily, a few cents a pound, perhaps less, on the average for hogs than about 7 years ago, I believe.

Mr. SHUMAN. Mr. Chairman——

Senator HICKENLOOPER. What are hogs today on the Chicago market, do you know?

Mr. SHUMAN. Well, I think—I am not sure what the Chicago market is. I know we sold some about 2 weeks ago; about \$13.35, I believe.

Senator HICKENLOOPER. I think they are in that vicinity—that is what the farmer has been getting out our way. I will ask Mr. Hill about that when he gets on.

Do you know, Howard?

Mr. HILL. Yes, sir.

Senator HICKENLOOPER. Is that the average he has been getting for the hogs?

Mr. HILL. I picked it up on the radio in Des Moines; it was \$12.75 to \$13.75 for No. 2 240-pound butchers. The No. 1's would be \$13.75 and the No. 3's \$12.75.

Senator HICKENLOOPER. What is the range on choice cattle? Do you know?

Mr. SHUMAN. Well, I do not know what the range is offhand, but the—we have it in the statement. Omaha prices.

Mr. HILL. Could I answer that?

Senator HICKENLOOPER. Yes.

The CHAIRMAN. Yes.

Mr. HILL. We marketed some heifers and some steers this week. We got 22 cents a pound for Choice steers; practically everyone of them were grade Choice, weighed 1,110 pounds in Des Moines. We got 21 cents for Choice heifers. The Choice end of these would yield 60 percent, and this is the lowest we have sold cattle—I do not know—I expect for 15 years.

Senator HICKENLOOPER. Yes, sir.

Mr. SHUMAN. This is about \$6 less than at the high time last fall.

Mr. HILL. Less than that. Prime cattle in Des Moines—Prime cattle would bring around \$22.50, and at the top they were bringing \$33.50.

Mr. SHUMAN. That is right.

Senator HICKENLOOPER. Yes.

Mr. HILL. This is Prime.

The CHAIRMAN. And to what do you attribute that?

Mr. HILL. I think there were several—may I?

Senator HICKENLOOPER. Excuse me. I just knew that Mr. Hill, who was a cattle raiser and a hog raiser—

Mr. HILL. I have got some ideas as to what caused it, if that is your question.

Senator HICKENLOOPER. We will get to that in a minute. I want to finish with Mr. Shuman.

The CHAIRMAN. All right.

Senator HICKENLOOPER. So that the net result reminds me of the old story about the fellow who said he could not lay an egg but he could tell a good one from a bad one. Now, we have had this program on the fire here for some considerable time. We have had cheap feed, and the net result, regardless of what we argue about, we have got the cheapest hogs and the cheapest cattle we have had for years. And I was told the other day by a fellow who is in the cattle business, and he is in a big area of cattle raising in eastern Iowa, that if most of the farmers in that area today had to liquidate their cattle, if they could not get some backing from the banks to carry themselves and they had to liquidate their cattle, they would be broke, simply because the price is so low.

Now, many of them can carry these on, hoping that the price will go up. They do not know. But there comes a time when they have got to sell their animals.

The net result is that the feed grain which goes through the cattle and hogs and sheep and poultry and other things, but basically cattle and hogs, at least out our way; that feed grain is being marketed and the farmer is getting a low return. It is probably one of the lowest for many, many years since the time of the depression.

I think the records show that.

Mr. SHUMAN. This is correct.

I estimate that we—the feed grain farmers over the United States since December—have lost over \$2 billion, because of the drop in hog and cattle prices.

Mr. HILL. Farmers lost.

Mr. SHUMAN. The farmers in the United States have lost over \$2 billion, which is more than the feed grain farmers received from the Treasury of the United States.

Senator HICKENLOOPER. That is right. They received, I think, \$1.7 billion by the last figures. The prices allegedly went up 1.3; 1.7 was subsidy. Then the losses in the cattle production, or in the cattle market and the hog market, it looks to me like something is happening, and it is not redounding to the increased prosperity of the diversified farmer.

Well, now, as I said in advance, I think most of the questions that are involved here have been discussed by you, and therefore I will not take any more time.

The CHAIRMAN. Senator Jordan.

Senator JORDAN. I have no questions.

The CHAIRMAN. Senator Mechem.

Senator MECHEM. I have no questions.

The CHAIRMAN. Senator McGovern.

Senator MCGOVERN. I have just a couple of questions, Mr. Chairman.

The CHAIRMAN. All right.

Senator MCGOVERN. Mr. Shuman, you were making the point earlier in your testimony that there is no hurry about passing this feed grain legislation because most of the grain is planted in the spring in any event. There are, however, farmers who plant oats and barley in the fall. Do you not think it would be helpful to those people to know what the 1964 program is in making their plans for this fall?

Mr. SHUMAN. Yes. And after May 21, we would expect to be prepared very quickly to make recommendations, and we would hope and urge the Congress to act on feed grain, wheat, cotton legislation in reasonable time and well in advance of the planting season in the fall.

Senator MCGOVERN. I think you made the point that this feed grain measure actually is not needed as a means of giving farmers information that they need in voting intelligently in the wheat referendum, but we have had testimony from the National Association of Wheat Growers to the effect that farmers have been told that if a feed grain program is passed, that they can allot feed grain acreage to wheat and that they need to have that information before they vote on May 21.

Do you not think there is some reason in that position?

Mr. SHUMAN. No, Senator. I think that anyone who told wheat farmers that they would be able to transfer acreage was assuming to speak for the Congress of the United States when the Congress of the United States had not spoken. And I think—

Senator MCGOVERN. Is that not in the law now?

Mr. SCHUMAN. Not the—

Senator MCGOVERN. That is, I believe, a feature of the feed grain program. The chairman can speak to that better than I can—but I think that is an automatic provision.

Mr. SHUMAN. It says, Senator, that if there is a feed grain program; but there was no feed grain program enacted for 1964 yet when this statement was made, which was a very misleading statement. And my point is that the Congress had not acted to establish a feed grain

program for 1964; therefore, this has no standing whatsoever until the Congress does act.

Senator McGOVERN. Well, that is the point, of course, that I am making; that, if the Congress would make its wishes known on a feed grain measure, then our wheat farmers would have some basis for knowing whether this provision is operative or not.

One other question on this livestock problem that we are all concerned about.

I gathered from your testimony that you feel that the drop in livestock prices is the result of depressed corn prices. You made some reference to the fact that cheap feed grain means cheap cattle and hog prices.

Is it not a fact that feed grain prices are higher today than they were 2 or 3 or 4 years ago?

Mr. SHUMAN. No. This is one of the misconceptions that has been spread around the country, and it is not true. I read in the record a while ago the actual U.S. Department of Agriculture figures for the price of corn. By calendar years, 1959 the price received by farmers was \$1.07 per bushel; in 1960 it was \$1.01 per bushel; in 1961 it dropped to \$1 a bushel; in 1962 it dropped to \$0.998 per bushel. And so the price of corn and other feed grains, of course, directly related to it was less in 1961 and 1962 than it was on the average in 1959 and 1960.

The CHAIRMAN. Would you yield?

Senator McGOVERN. I yield, Mr. Chairman.

The CHAIRMAN. Well, Mr. Shuman, is it not a fact that what caused this price fluctuation was the fact that much of the corn was not qualified to go into the program; that is, not entitled to price support?

Mr. SHUMAN. No; I think the major factor is the unusual and unwarranted dumping of Commodity Credit feed grain stocks onto the market. That is what held the price down.

The CHAIRMAN. Well, the price support, though, is \$1.02?

Mr. SHUMAN. On part of the corn.

The CHAIRMAN. Yes. And I think you have argued, or others have argued here that, as a rule, these price supports fix the market value at which it is sold.

Mr. SHUMAN. They could not in the case of feed grain, because the Secretary had told the farmers ahead of time that he was going to see that the price on the market was held down. And by Commodity Credit policies, disposing of extra quantities, they did hold the price down.

And it has demonstrated here that they succeeded in holding the price down, that it averaged about \$1 a bushel, whereas the previous 2 years it averaged about \$1.05 a bushel.

Senator McGOVERN. Mr. Shuman, I have some figures here, and I think they are accurate, which indicate that the price in Chicago of No. 2 yellow corn has been averaging about 3 cents a bushel higher this year at the present time than it was in the same period last year.

Mr. SHUMAN. This is true. This illustrates the power of the Commodity Credit and Department of Agriculture to establish the price. And apparently they were quite sensitive to the fact that they had pushed the price below 1959 and 1960, and I am happy that they have seen fit to correct it.

They are also quite sensitive to the fact that the livestock production has been stimulated, and this is an attempt to compensate. It is a managed market, actually.

Senator McGOVERN. One other comment, now. In this livestock matter, is it not true that the basic problem is that we have had an increase in livestock numbers and that that increase did not begin with the 1961 feed grain program; it began several years ago? We have had a gradual buildup on livestock and cattle over the past few years which is reaching a point now where it is beginning to take hold. Would it not be unfair to say that that increase began with the 1961-62 feed grain programs?

Mr. SHUMAN. Yes, it would be unfair to say it began with it. But we do not—I have not said that. It is true, of course, that the cattle cycle and the hog cycle were on the upswing.

The thing that I have said and contend—and I think our information, our data from the Department of Agriculture substantiates it—is that the cattle cycle and the hog cycle on the upswing in numbers were definitely aggravated by the fact that the feeders knew they could get feed grain at a lower price than that which was under the program. And they knew that they could get plenty of it. They knew the price was going to be depressed, and it was. And after 1 year's experience, they jumped in the market and bought feeder cattle and feeder pigs and drove the price up on the feeder stock, and then, of course, the payoff came when these increased numbers came to market.

Senator McGOVERN. You have indicated in your statement that you think the Members of Congress should not play any role in trying to influence the outcome of this wheat referendum. Regardless of whether that is a proper evaluation or not, do you believe, knowing as you do something about the operation of the Congress, testifying as many times as you have over the years before the Congress, that if this referendum fails, Congress will then enact legislation that will give our wheat farmers a better income and at less cost to the taxpayers than they will receive if they vote this referendum through?

Mr. SHUMAN. Yes, sir. I have great confidence that the Congress of the United States and the administration will both move for a better type of wheat legislation than presently offered in the referendum.

Now, of course, at this stage it would not be advisable from those who are wanting to influence the vote to admit this. But I have great confidence that they will not be vindictive, that if it is defeated, that the administration, Secretary of Agriculture, and the members, the leaders in Congress, will look toward a constructive and better type of wheat legislation. I have confidence in the Congress.

Senator McGOVERN. I just want to say for the record that I feel a moral responsibility to my constituents to tell them that I think that is not true. I think that if this referendum fails, that while some of us from the wheat areas will work very hard to salvage the situation, I cannot believe we will be successful in this effort.

I think as the chairman does that if this referendum fails, it will probably be the end of any hope for the wheat program this year.

The CHAIRMAN. Especially if the American Farm Bureau comes up with the same program they have been trying to put through this Congress in the past 3 or 4 or 5 years.

Mr. SHUMAN. Mr. Chairman, I do not believe that our lack of success would argue that we could prevent the Congress from taking

action. And so I have great confidence that, regardless of what we recommend, the Congress will act; especially in view of the fact that the chairman of the wheat committee that is working for a "yes" vote has said that he will come down here and do everything in his power to get legislation, if it fails, and in view of the fact that at least the—

The CHAIRMAN. No, I did not say that, Mr. Shuman.

Mr. SHUMAN. I am saying that; that the chairman of the committee for a "yes" vote on wheat.

The CHAIRMAN. Oh, I thought you meant the chairman of the committee here.

Mr. SHUMAN. No; I beg your pardon.

No, the chairman of the committee for a "yes" vote has made this statement, and also the vice chairman of the House Agriculture Committee said that he anticipated that the Congress would act.

So I am encouraged to believe they will. But this is a matter of opinion, of course.

Senator McGOVERN. No further questions.

The CHAIRMAN. Thank you very much.

Now, have you anything to add to what has been stated?

Mr. SHUMAN. I would like for Mr. Hill to enlarge on this livestock situation, if we may take about 3 or 4 minutes.

The CHAIRMAN. All right, proceed.

Mr. HILL. Well, Mr. Chairman and members of the committee, I have a short statement here I would like to insert in the record. I do not think it is necessary to read it, because it simply backs up what President Shuman has said here from Iowa.

The CHAIRMAN. Yes. It will be placed in the record at this point. (The prepared statement of Mr. Hill follows:)

I should like to supplement the statement presented in behalf of the American Farm Bureau Federation by President Shuman.

As members of this committee know, Iowa farmers produce both feed grains and livestock extensively. Furthermore, we know from experience that the relationship of feed grains and wheat production and prices has a direct relationship to livestock production and prices.

That is why we want to have Government policies with respect to feed grains and wheat considered at the same time and under conditions where their effect on livestock production and prices will be given proper emphasis. Seeking to pass feed grain legislation—without consideration of what the wheat program will be subsequent to the referendum—does not provide the legislative environment wherein sound economic answers are likely to be achieved. We in Iowa think it would be far better to delay action with respect to the 1964 feed grain program until after the results of the May 21 wheat referendum are known and after a more dependable appraisal of the probable results of the 1963 feed grain program can be obtained.

We in Iowa are for a sound feed grain program. We think the Congress should write it rather than to provide wide discretion to the Secretary of Agriculture. When former Secretary Benson requested discretion to establish price support levels, we vigorously opposed it as a matter of principle. We don't think any Secretary of Agriculture should be given the wide discretion provided in the 1964 feed grain proposal now before this committee.

Senator HICKENLOOPER. I think, Mr. Chairman, he ought to identify himself. He is not only a farmer, but he is from my State, and he is president of the Iowa Farm Bureau Federation.

The CHAIRMAN. I think that has been done before.

Senator HICKENLOOPER. I beg your pardon.

The CHAIRMAN. You can do it again, if you want to.

Senator HICKENLOOPER. No.

The CHAIRMAN. I say I thought it was done.

Senator HICKENLOOPER. All right.

Mr. HILL. Thank you.

The CHAIRMAN. I did not mean to be facetious, Senator.

Mr. HILL. Mr. Chairman, you asked a question a little while ago that I would like to try to answer, if I can, and this is in relation to what has caused this disastrous, as I would call it, livestock situation.

I think there are several factors entered in. One is that this cattle and hog cycles hit at the same time. And there are cycles in the production of cattle and hogs. They are both fairly high level, and it happened to hit at the same time, so this makes more red meat available.

I think this situation of cracking down so hard on expense accounts has definitely affected the price of good beef in the better restaurants. I do not think it is so much the rules themselves as it is the fear of the rules and the fear of what can be put on an expense account.

I think in grazing of the diverted areas prior to the 1st of May and then again after the 1st of November, even in our State, Senator, the alfalfa and broomgrass on these diverted acres is a foot high by the 1st of May, and it can be grazed right up to the 1st of May. Then it can also be grazed in the fall to the 1st of November; no restriction whatsoever.

Now, this is not in our proposed farm bureau program. Our program calls for a complete prohibiting of grazing of our cropland acres that are retired.

And then the other thing is that I think very definitely this dumping of feed grains on the market has contributed to the increase in the feeding.

I told my son-in-law that I am in partnership with last fall to look out, we better look out this fall, because we could buy corn for 90 cents a bushel last fall a year ago, as a result of the activities of the Department of Agriculture; and as a result, fortunately we have only got about three-fourths as many cattle as we usually feed; but I think you could see it coming.

It is not this \$1 for corn that prevails today, but it was the 90-cent corn that prevailed back there when this dumping took place in the last 2 years that has precipitated this expansion of hogs and cattle. And there is just no question it is a very serious situation, and I would say this is one of the principal contributing factors to the situation.

In 1961 we had a fairly low cattle price. This should have been the low end of the cattle cycle. Just 2 years later, we get a repeat, only it is lower than it was 2 years ago. And I think this thing would have worked itself out if it had not been for cheap corn.

Now, this is an attempt to answer your question of what are the factors that have caused the hog and cattle situation.

The CHAIRMAN. Well, if we do not enact this bill, corn will still be cheaper, about 80 cents under the law that was enacted last year, so you can expect a further drop if the old law goes into effect. Is that not true?

Mr. HILL. Of course, another—

The CHAIRMAN. Unless you pass another law.

What has the cattle population to do with the price?

Mr. HILL. This thing is—

The CHAIRMAN. You did not cover that.

Mr. HILL. Yes; I said the cycle on both was at a high level.

The CHAIRMAN. Excuse me.

Mr. HILL. In the beginning I made that point.

But the thing that is hurting the cattle market now is the fact that they have carried them to such heavy weights. Your weights of cattle, you are running 50 to 70 pounds heavier; and, after all, that is 70 pounds heavier right there on a thousand-pound steer.

And again I maintain that the cheap corn that we had the last 2 years, especially at the time we bought cattle, has contributed to us buying more cattle and to us carrying them to heavier weights. The spread is the narrowest I think I have ever seen percentage-wise between prime cattle and just good cattle.

Senator JORDAN. What is that spread?

Mr. HILL. As I indicated, 23 cents would be the most you could draw for Prime cattle in Des Moines.

Senator JORDAN. Is that Prime steers?

Mr. HILL. Prime steers. Holsteins are bringing 20.

Senator JORDAN. Well, what would be your regular run of cattle, just nice steers?

Mr. HILL. I sold some shorthorns and blacks and Herefords last week, I guess it was, last week in Des Moines for 22 cents. They weighed 1,171. And they were all grade Choice.

Senator HICKENLOOPER. They would cut out at 60 percent?

Mr. HILL. They would yield a good strong 60 percent.

The CHAIRMAN. Thank you very much, sir.

Mr. SHUMAN. Mr. Chairman, Mr. B. C. Mangum, of the North Carolina Farm Bureau and member of the AFBF Board, also with Mr. Hill, has some information on the feed grain program that has come from the University of North Carolina on some of their work. If the Chair pleases, I would like for him to say just a few words.

Senator JORDAN. Mr. Chairman and my colleagues:

I would like to take this opportunity to introduce to you Mr. Mangum, B. C. Mangum, who is president of the North Carolina Farm Bureau in North Carolina and represents I think the greater majority of farmers in North Carolina. He does have some very fine information that was prepared by State college, which is our land grant college, and they have done a very extensive study of the situation in North Carolina.

Now, of course I am very interested in what affects North Carolina, and I would like for Mr. Mangum to be given time to make his report.

The CHAIRMAN. Proceed.

Identify yourself first for the record.

Mr. MANGUM. Mr. Chairman, I am E. C. Mangum, president of the North Carolina Farm Bureau.

And first of all, I would like to say a few words about what brought about this program or this study that I want to present to you.

The CHAIRMAN. Have you extra copies of this?

Mr. MANGUM. Yes; I have got a copy, yes.

Some 3 years ago at North Carolina State College, the leaders there at the college became concerned with increasing agricultural income, farm income. So they went out and made a study and took a look at areas in which they thought there was a possibility of increasing farm income. They went into all counties, and they had their meetings with the agricultural leaders in the county, the agricultural

areas, in trying to set up a program which would bring about this increased income.

So, as a result of these studies throughout the State and all the counties, they came up with a 1.6 in 1966—that is, \$1.6 million in agricultural income by 1966. So it is called 1.6 in 1966. And it is broken down in the areas in which these increases would come about to get this figure up to the 1.6.

So then, after adopting this 1.6 in 1966 program, the specialists out at the college began to take a look at what they could do in making some studies and trying to overcome some of the problems that we would have in this increased production. And of course one of them was a study of the feed grain program and its impact on agriculture in North Carolina.

So they then put this study together in which it is in this book form; it is too much for me to try to go into here. However, on the other hand, I would like to place it in the record.

The CHAIRMAN. We will file it with the record.

Mr. MANGUM. File it with the record.

The CHAIRMAN. Do you have extra copies for the committee members?

Mr. MANGUM. Just the one, is all I have.

The CHAIRMAN. Can you get more copies?

Mr. MANGUM. I can get some.

The CHAIRMAN. If you will, I would be glad if you would distribute it to each member of the committee.

Mr. MANGUM. Well, now we do have a press release put out by the college but which clearly covers this; and, with your permission, I would like to read it.

The CHAIRMAN. Proceed.

Mr. MANGUM. This is the North Carolina State College School of Agriculture, Raleigh, N.C., released on March 4; and the title is "Livestock, Poultry Expansion Slowed by Feed Grain Program."

The feed grain program has thrown a multi-million-dollar roadblock into the path of expansion of North Carolina's livestock and poultry industries.

The program is cutting production of home-grown grain and increasing the need for imported grain that carries with it the extra cost of transportation from the Midwest.

"The feed grain program costs North Carolina livestock and poultry producers about \$5 million more than before to keep production at the same levels," observes Everett Nichols, extension grain marketing specialist at North Carolina State College.

The CHAIRMAN. How could they reach that conclusion, when it was a voluntary program?

Mr. MANGUM. Well, I think——

The CHAIRMAN. North Carolina could proceed and plant all they desired. It is purely voluntary.

Mr. MANGUM. I will agree with you there. I think if you will pardon me and let me read the rest of it, it maybe might clear up some of that.

The CHAIRMAN. All right.

Mr. MANGUM (reading):

This additional cost is the transportation charges on corn shipped in from the Midwest. This cost increased from \$5.1 million in 1960-61 to \$10.1 million in 1961-62.

In brief, the livestock and poultry producers in a surplus grain State can equal the production of counterparts in North Carolina but with \$5 million less feed expense.

"This increase in cost of shipping corn can be attributed largely to the feed grain program," said Nichols. "This cost is expected to be about \$10 million again in 1962-63."

The CHAIRMAN. Larger than——

Mr. MANGUM. Not larger, but in the place of \$5 million, increased to \$10 million.

The CHAIRMAN. Well, you know Mr. Shuman testified that this program has caused the price of corn and feed grains to go down. So I am just wondering how that jibes with the Farm Bureau's statements here.

Mr. MANGUM. Well, this jibes with what is happening in North Carolina as the feed grain program—what effects it has on livestock.

The CHAIRMAN. Yes.

Mr. MANGUM. And it is borne out by the facts in this——

The CHAIRMAN. Well, do you know whether or not they considered the price of that corn with the support price of \$1.20 instead of the market price that Mr. Shuman has been talking about all this morning?

Mr. MANGUM. Well, you see, we being in a deficit-producing State——

The CHAIRMAN. Yes.

Mr. MANGUM. It did not have that much effect, because most of the corn that we are dependent upon getting we are getting out of the surplus areas, and when you add the transportation cost to it, it made this difference in the cost of the livestock producers.

Senator JORDAN. Mr. Chairman, it ran about \$1.42. Is that correct?

Mr. MANGUM. Yes.

The CHAIRMAN. You mean with the freight?

Senator JORDAN. With the freight; yes.

The CHAIRMAN. Yes, of course.

Mr. MANGUM. That is where the \$5 to \$10 million cost actually came.

The CHAIRMAN. Yes. But the point that has been argued here by Mr. Shuman is that their program has lowered the cost of feed grains; that is, the market was so manipulated by the Secretary of Agriculture that it depressed the price of corn. So that that, of course, would inure to the benefit of North Carolina, if he is correct.

Mr. SHUMAN. Mr. Chairman, it can have both effects.

The CHAIRMAN. All right, keep on.

Mr. MANGUM (reading):

North Carolina, historically, has been a deficit grain producing State, depending on imported feed grains to support livestock production.

"Whenever local production is reduced (as it is under the feed grain program), North Carolina livestock and poultry producers become more dependent upon midwestern grain," Nichols pointed out.

The cost of this grain to the Tarheel is the same as to the midwestern livestock man, plus the shipping costs—thus the disadvantage of the North Carolina producer in competing with the midwesterner or with others in States where grain is available locally.

"Unless some adjustments are made to offset the relative feed cost disadvantage, this will tend to slow the rate of expansion of livestock and poultry production in North Carolina," Nichols concluded.

This, Mr. Chairman——

The CHAIRMAN. I do not think there is any doubt that if we had had a controlled program last year, it was argued here—and that we had prevented in some way the production of corn in the States where they are in shortage, that these arguments might be very forceful. But remember the only program that we could put on the statute books was a voluntary program and not a forced one.

Mr. MANGUM. I would like this to be part of the record.

The CHAIRMAN. Yes, surely; put that in.

(The news release just read by Mr. Mangum follows:)

[Release March 4—North Carolina State College School of Agriculture, Raleigh, N.C.]

LIVESTOCK, POULTRY EXPANSION SLOWED BY FEED GRAIN PROGRAM

The feed grain program has thrown a multimillion-dollar roadblock into the path of expansion of North Carolina's livestock and poultry industries.

The program is cutting production of home-grown grain and increasing the need for imported grain that carries with it the extra cost of transportation from the Midwest.

"The feed grain program costs North Carolina livestock and poultry producers about \$5 million more than before to keep production at the same levels," observes Everett Nichols, extension grain marketing specialist at North Carolina State College.

This additional cost is the transportation charges on corn shipped in from the Midwest. This cost increased from \$5.1 million in 1960-61 to \$10.1 million in 1961-62.

In brief, the livestock and poultry producers in a surplus grain State can equal the production of counterparts in North Carolina but with \$5 million less feed expense.

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"Unless some adjustments are made to offset the relative feed cost disadvantage, this will tend to slow the rate of expansion of livestock and poultry production in North Carolina," Nichols concluded.

The CHAIRMAN. Any further questions?

Senator HICKENLOOPER. I have a few questions I wanted to ask Mr. Hill.

The CHAIRMAN. Yes, sir. Proceed.

Senator HICKENLOOPER. Mr. Hill, have you participated in the feed grain program?

Mr. HILL. Yes, sir; every year.

Senator HICKENLOOPER. Now, you—I am asking you a question the answer to which I know, but I want to get it in the record because I have been on your place and I know what your situation is.

But you have been active throughout the years in the soil conservation program, have you not?

Mr. HILL. Yes, sir; I have a plan on the place.

Senator HICKENLOOPER. What do you think this feed grain program—what has that done to the fellow who follows good conservation practices on his farm through the years; what is the net effect of that, in your experience?

Mr. HILL. Well, of course we have had a lot of criticism of the program from the good soil conservation operators, because it is based on how many acres of corn you were growing in 1959 and 1960.

Now, a person might have even been sick in that year and not been able to farm, or at least farm to the maximum extent. And he might have just had an awful load of acreage of corn.

And then for the person who has been on continuous corn and who has had no regard at all for soil conservation, he might have had the whole farm in corn. And I am not opposed to that; if it is a good flat, level farm, there is nothing wrong with that, but if it is a farm that ought to be contoured and rotated and he had the whole farm in corn, it certainly is a real handicap to him.

Senator HICKENLOOPER. In other words, he got a bigger base by not following good conservation practices—

Mr. HILL. Right.

Senator HICKENLOOPER (continuing). Than the fellow who followed good conservation practices?

Mr. HILL. He got a better base for robbing the soil.

Senator HICKENLOOPER. Do you have anything else you want to mention about this?

Mr. HILL. I think this is one of the very serious drawbacks of the bill, that it does not take into consideration any remuneration for good soil conservation practices.

Senator HICKENLOOPER. That is all.

The CHAIRMAN. That is all. Thank you very much.

All right, the next witness.

Senator JORDAN. Mr. Chairman, at what time are you going to recess for lunch?

The CHAIRMAN. Off the record.

(Discussion off the record.)

Mr. SHUMAN. Thank you, Mr. Chairman, for your consideration.

Mr. HILL. Thank you, Mr. Chairman.

The CHAIRMAN. All right, sir.

Mr. Bayne.

Mr. BAYNE. Yes, sir.

The CHAIRMAN. Will you identify yourself for the record?

STATEMENT OF GLEN L. BAYNE, PRESIDENT, NATIONAL ASSOCIATION OF WHEAT GROWERS, PROSSER, WASH.

Mr. BAYNE. My name is Glen L. Bayne. I am from Prosser, Wash., and I am president of the National Association of Wheat Growers.

Mr. Chairman and members of the committee, I am privileged to have the opportunity today to discuss H.R. 4997 with you as the representative of our wheat producers who are also producing feed grains.

We would like to support this legislation as it now stands and wish to urge prompt action on this bill.

This legislation covering the 1964 and 1965 crop years extends the currently successful feed grain legislation for these years. The present feed grain legislation has, to our best knowledge, reduced the burdensome feed grains carryover, reduced the cost to the taxpayer, and maintained the feed producers' income at a reasonable level.

H.R. 4997 meets, we believe, the criteria of our organization as well as that of President Kennedy, Secretary Freeman, and Congress, from both sides of the aisle.

The need for passage of this legislation prior to the May 21 wheat referendum is very apparent when we realize that the 1964 wheat certificate plan requires the existence of a land retirement feed grain program for its implementation. The result of the validation of the substitution clause will not increase the amount of feed produced; but will provide for both the feed and wheat producer of the Nation a freedom for farm operation which he would not have with a "no" vote and has not had under the past or present programs.

And I would like to add here, Mr. Chairman, a little note aside from my prepared testimony.

Yesterday it was apparent from testimony given in this room that there is some misunderstanding as to the use producers will make of the substitution clause. It is our opinion that all commercial wheat producers and many small growers will plant the amount of wheat required to produce their certificated wheat and will then decide which crop will be most advantageous for their farm.

In the Pacific Northwest and some other fallowed areas, most of the farms will produce wheat for feed in lieu of other feed grains. Only in small high barley yield areas will even the acres in excess of the certificated production be planted to feed grains.

The best estimates show that across the country the use of a substitution clause will not upset the feed production balance.

And relative to the remarks that were just made by the gentleman from North Carolina, the substitution clause would allow North Carolina to produce the feed grain they need by raising feed grain on wheat acres.

The CHAIRMAN. But as I pointed out to you, Mr. Bayne, this is a voluntary program. North Carolina can produce all the corn, all the oats, everything they want to.

Mr. BAYNE. This is correct, sir.

The CHAIRMAN. The only thing they lose is price supports.

Mr. BAYNE. This is right.

The CHAIRMAN. And since 85 percent of the grain is fed to live animals, I do not see how they can be affected.

Mr. BAYNE. I do not either.

The CHAIRMAN. And as to this cost factor indicated by Mr. Shuman, this program has caused the price of feed grain to go down.

Mr. BAYNE. That is right.

The CHAIRMAN. And if that is true, again I say North Carolina benefits.

Mr. BAYNE. That is correct.

The CHAIRMAN. Let us go on.

Mr. BAYNE. The Congress is to be complimented on the fact that provision has been made in the bill for the establishment of feed grain history on farms which did not produce feed grains during the base years of 1959 and 1960. These farms, under certain situations as established by the guidelines in the legislative language, will be granted relief.

We show here—and we have a chart; I have a chart which I would like to discuss briefly.

We show here an example of the operation of a 150-acre farm under both a "yes" vote, a "no" vote, and, as a comparison, the same 150

acres under the 1962 program. We have omitted the 1963 program as it compares with neither the 1962 nor 1964 programs.

With a "yes" vote in the referendum, as shown in the upper left-hand corner of the chart—with a "yes" vote in the referendum and with this feed grain legislation, we especially want to point out the freedom of choice—and I have underlined that word "freedom"—by the farmer, after he has made his required land retirement, to plant and harvest any combination of wheat and feed grains he might desire. Of course, if he wishes to comply for wheat certificates, under the law he must plant 80 percent of his allotment acres to wheat or, in this example, 72 acres of wheat. Then the other 63 acres he can make his choice as to what he wants to do with it. He can either plant it to feed or plant it to some other crop.

With a "no" vote, if he wishes price support and to avoid all penalties he must plant wheat within his allotment (or a maximum of 90 acres) the balance of his land, or 60 acres in feed grains other than wheat.

So we see that a "no" vote is more restrictive as to the operation of a farm than would be a "yes" vote.

The 1962 program was a completely mandatory program if the producers wished price support and wished to avoid serious penalties.

The wheat producers are being told that if the 1964 wheat program is defeated, new and better wheat legislation will be passed by Congress. Your recent statement on this subject, Mr. Chairman, we believe to be most informative on this subject. Furthermore, we have heard of no new wheat legislation under consideration which would be better than the program in effect if a "no" vote prevails. As an example, in the House hearings last spring on the "cropland retirement" legislation it was stated:

Determination of the specific acreage that would have to be retired to achieve the objective of the program would be the responsibility of the Secretary. Best estimates suggest that the total might be as high as 80 million acres, including land now under long-term retirement contracts.

And quoting from the question and answer part of the testimony, we find, "About 85 percent of the feed grain goes into livestock feed either on the farm or in the immediate neighborhood, so about 85 percent of the feed grain farmers would not feel any great pressure of compulsion." As can be seen, this type of legislative thinking offers nothing to the wheat producers except massive retirement of his land and protection for the feed grain producers of price support without effective reduction in production.

If the referendum carries, both wheat and feed producers will have need of this feed grain legislation.

If the referendum fails, feed producers will have reasonable legislation and wheat producers will have made their choice.

Delay of passage of this legislation beyond the May 21 referendum will, we believe, make its acceptance more difficult and will serve no good purpose. We understand that there is much support for this program from both parties of the Congress but that the major debate is in the timing of its passage.

Absence of feed grain legislation at the time of the wheat referendum vote is asking the wheat producers of America to make a decision without full information. This situation might be compared to a regular election in which the information on the candidates and propositions is incomplete.

In conclusion, the National Association of Wheat Growers supports H.R. 4997 and urges action on it in the Senate with all possible urgency. We recommend passage of this legislation without amendment so that it may become law prior to May 21. If minor adjustments or administrative amendments are necessary, they can be accomplished after its passage.

Thank you, Mr. Chairman.

The CHAIRMAN. Well, Mr. Bayne, as chairman of this committee—and I think the committee has agreed with me—that this bill will be marked up this week.

Mr. BAYNE. Yes.

The CHAIRMAN. And we will do our best to enact it next week and have it on the President's desk before the 21st, if possible.

Mr. BAYNE. Yes, sir.

The CHAIRMAN. But I want to give you this assurance; that, even though the bill is not enacted by the 21st, there will be a feed grain bill along these lines before Congress recesses.

Mr. BAYNE. Thank you, sir.

The CHAIRMAN. All right. Thank you very much.

The next witnesses are Mr. and Mrs. Emmett Simmermon. Oh, we had you here last year. Come forward, and glad to see you.

Mrs. SIMMERMON. Thank you.

The CHAIRMAN. Very much. And how is Ohio, Mrs. Simmermon?

Mrs. SIMMERMON. Very well, thank you.

The CHAIRMAN. We are running a little late, Mrs. Simmermon, as you know, and I notice you have a prepared statement. Do you wish to put the statement in the record and highlight it for us, Mr. Simmerman?

Mr. SIMMERMON. Well, I would like to give you part of it, and——

The CHAIRMAN. All right, go ahead, do it your way.

STATEMENT OF MR. AND MRS. EMMETT SIMMERMON, SOUTH SOLON, OHIO

Mr. SIMMERMON. The following statements and examples are for the purpose of improving the 1962-63 feed grain program, giving the farmers of 1964 a fair income, with less Government cost and increasing the Nation's economic growth.

The past agricultural farm laws have used mostly a percent of parity from the 1909-14 base period for farm prices, but instead of giving the farmers equality for the exchange of their agricultural products and labor with those of the nonfarmer, it gives them about a 3-to-1 disparity.

The merchant and banker are not interested in the farmers' percent of parity when the farmer wishes to buy goods or obtain a loan, but they are definitely interested in his capital investment and labor.

Future farm laws should give the farmers a support price for their capital investment and labor comparable to the nonfarmers in order to give both a continuous fair exchange of their products and services, thereby increasing the Nation's economic growth.

The 1961-62 feed grain and wheat programs, mostly voluntary and expensive, have proven that the surplus grains can be controlled by diverting a percentage of their acres from production. If a percentage

of hay-diverted acres were added to the feed grains and wheat acres, this could control the production of livestock and dairy products.

From our past grassroots experience, we know the farmers will accept the necessary controls for logical and constructive farm programs, but too often the theorist is more interested in controlling the farmers rather than the farmers' production, giving the farmer mostly a zero alternative. The public accepts many necessary traffic controls, but with strict controls each driver would be told the exact time and route to use for highway travel.

Farmers' products and the urban products derived from natural resources produce new wealth and increase the Nation's economic growth.

There are approximately 256 agriculture crops from which 8 of these (wheat, corn, cotton, oats, barley, sorghum grains, soybeans, and hay) absorb 95 percent of the crop acres, but wheat, cotton, and corn are the major surplus crops.

For examples, we use corn as the basic grain because the total bushels of corn each year are approximately the same as the combined total bushels of the above other grains combined.

The CHAIRMAN. Well, those comparisons, put them in the record.

Mr. SIMMERMON. I would like to make one other comparison. Here is 1962 and 1963 feed grain programs.

The CHAIRMAN. Yes.

Mr. SIMMERMON. And to divert 20 acres, it costs them \$120 in 1962's program, and it cost \$1,164 in the 1963 program.

The CHAIRMAN. Why is that; do you know?

Mr. SIMMERMON. And to give the farmer——

The CHAIRMAN. Why was that; do you know?

Mr. SIMMERMON. Well, it was a change; there is a change in the direct payments. They more or less paid a part of the farmer's storage costs that they thought he would store in direct payments. So then, after he stored his grain later, part of that cost would be that they would not be included.

The CHAIRMAN. Well, those two tables that you have been showing will be put in the record as though read.

(The tables referred to follow:)

Comparison of 1962 feed grain program with the suggested program to give the farmer more income with less Government cost and increase the Nation's economic growth

[Basis: 100 acres corn; 60 bushels per acre yield; \$1.20 per bushel; first 20 acres diverted \$36 per acre and up to another additional 20 acres diverted \$43.20 per acre payment rate]

Example No. 1:

| | |
|--|--------------|
| 20 acres diverted at \$36 Government cost..... | \$720 |
| 80 acres harvested at \$72 support price..... | 5,760 |
| Total farmer's gross income..... | <u>6,480</u> |

Example No. 2:

| | |
|---|--------------|
| 20 acres diverted at \$36 Government cost..... | 720 |
| 20 acres diverted at \$43.20 Government cost..... | 864 |
| Total Government cost..... | <u>1,584</u> |
| 60 acres harvested at \$72 support price..... | 4,320 |
| Total farmer's gross income..... | <u>5,904</u> |

SUGGESTED IMPROVEMENT, THE FARMER DIVERTS 20 ACRES WITHOUT
PAYMENT AND RECEIVES A FAIR PRICE FOR THE BALANCE

Example No. 3

| | |
|---|--------------|
| 20 acres diverted without payment; no Government cost..... | ----- |
| 80 acres or 4,800 bushels at \$1.92 suggested fair price..... | 9,216 |
| Total farmer's gross income..... | <u>9,216</u> |

Comparison, example No. 3 with example No. 1:

| | |
|--|--------------|
| No. 3 saves the Government..... | 720 |
| No. 3 gives the farmer more gross income..... | 2,736 |
| No. 3 gives more dollars for the Nation's economic growth..... | <u>3,456</u> |

Comparison, example No. 3 with example No. 2:

| | |
|--|--------------|
| No. 3 saves the Government..... | 1,584 |
| No. 3 gives the farmer more income..... | 3,312 |
| No. 3 gives more dollars for the Nation's economic growth..... | <u>4,896</u> |

Comparison of 1963 feed grain program with the suggested program to give the farmer more income with less Government cost and increase the Nation's economic growth

[Basis: 100 acres corn; 60 bushel per acre yield; \$1.25 per bushel support rate; 20 acres at \$15 per acre; up to 20 more acres diverted at \$37.50 per acre; 18 cents per bushel direct payment or \$10.80 per acre and \$1.07 per bushel loan rate]

Example No. 4:

| | |
|--|--------|
| 20 acres diverted at \$15 Government cost..... | \$300 |
| 80 acres harvested at \$10.80..... | 864 |
| Total Government cost..... | 1, 164 |
| 80 acres or 4,800 bushels at \$1.07 loan rate..... | 5, 136 |
| Total farmer's gross income..... | 6, 300 |

Example No. 5:

| | |
|--|--------|
| 20 acres diverted at \$15 Government cost..... | 300 |
| 20 acres diverted at \$37.50 Government cost..... | 750 |
| 60 acres harvested at \$10.80 Government cost..... | 648 |
| Total Government cost..... | 1, 698 |
| 60 acres or 3,600 bushels at \$1.07 loan rate..... | 3, 852 |
| Total farmer's gross income..... | 5, 550 |

SUGGESTED IMPROVEMENT, THE FARMER DIVERTS 20 ACRES WITHOUT PAYMENT AND RECEIVES THE ESTIMATED FAIR PRICE OF \$1.29 PER BUSHEL

Example No. 3:

| | |
|---|--------|
| 20 acres diverted without payment; no Government cost..... | |
| 80 acres or 4,800 bushels at \$1.92 estimated fair price..... | 9, 216 |
| Total farmer's gross income..... | 9, 216 |

Comparison, example No. 3 with example No. 4:

| | |
|--|--------|
| No. 3 saves the Government..... | 1, 164 |
| No. 3 gives the farmer more gross income..... | 2, 916 |
| No. 3 gives more dollars for the Nation's economic growth..... | 4, 080 |

Comparison, example No. 3 with example No. 5:

| | |
|--|--------|
| No. 3 saves the Government..... | 1, 698 |
| No. 3 gives the farmer more gross income..... | 3, 666 |
| No. 3 gives more dollars for the Nation's economic growth..... | 5, 364 |

Mr. SIMMERMON. Well, the one main point I want to bring out here, this \$720 or this \$1,164, that came from some taxpayers. And it cost probably 10 percent to collect that money from administrative costs than to give it to the farmer.

Well, now, what we want is a suggested program that the farmer take these acres out without cost, and then give them to the farmer for a price. Well, the farm prices from the ground, that is new wealth that always circulates. The farmer would have that. And then the taxpayer would still have this \$700 or \$1,100, see, to buy those products too.

The CHAIRMAN. Well, I think you are very optimistic. If you would save that, the Government here would find some other way to spend it.

Mr. SIMMERMON. Well, if you can save that much money and put that much money in circulation for economic growth—and we know the farmers will accept that program, and we used \$1.92 here, see, as a fair price for the farmers for corn.

Now, if you turn over to page 4, they might say \$1.92 is too high for corn, but for 1960, down at the bottom of the page, cash grains, the farmer receives 2 cents an hour for his capital investment labor; and in 1957, 7 cents; and in 1958, 63; and in 1957, 73; and in 1956, \$1.98; and in 1955, \$1.10; and in 1948, 59; average, they received \$1.78. And in 1947 to 1949 they received \$2.31 for the capital investment labor.

Well, up above here you can see here in the second line here——

The CHAIRMAN. Yes, I can see it.

Mr. SIMMERMON. This line up there. See the price of corn went down, the farmer's income dropped along with it. But here is a price the farmers paid for the meat right next to it. There is the farmer's price, and here is the cost of the consumed beef. You cannot take any more years and get a pattern that will show in 3 years that the farmer's price of corn had anything to do with what the consumer paid for meat.

So what we want is to give the farmer a fair price for his grains as it is comparable to nonfarmers. And then if there is a surplus, and it may be good weather, why, the Government would move that surplus and then prorate that cost one-half back to the farmer and one-half to the consumer. That is the same method manufacturers used for years. And by paying that cost, if a farmer pays \$2 or \$300 lost on wheat or corn or something, he naturally puts a little less of that in next year.

The CHAIRMAN. All right.

I notice at the end of your statement here you have a poem.

Mr. SIMMERMON. My wife wrote a poem.

Then I want to put this here, on page 6——

The CHAIRMAN. That is in the record.

Mr. SIMMERMON. Yes.

The CHAIRMAN. The whole thing will be put in the record.

Mrs. SIMMERMON. There was 307 acres there, there was 327 pounds of seed planted.

The CHAIRMAN. Yes.

Mrs. SIMMERMON. And that increased to 15,023 pounds, a net increase of 4,494 percent increase. So if you take enough acres out, there is no question that this controls farm production.

The CHAIRMAN. All right.

Now, this poem you have at the end of it, what do you want to do with that?

Mrs. SIMMERMON. Can I read it, Mr. Chairman?

The CHAIRMAN. Read it. All right.

Mrs. SIMMERMON (reading):

"Be kind to us," the farmer and wife said,
 "For we clothe you abundantly and give you your bread;
 We have worked hard and long from the dawn thru the day
 To clothe you and feed you well in the American way.

"We are paying on the mortgage to get the farm clear,
 We wish to pay taxes and have faith and less fear;
 If we are pushed off the farm now as some would do,
 We will be lost when later we will be needed to feed you.

"If automation comes as some say it will
 No one will push the button, we will just stand still;
 For what is the use if we shall be fed
 Without ever earning our good daily bread?

"So think twice gentlemen before you agree
 To push us off the land into eternity;
 With quotas and allotments, or the broad free way—
 Either one can end in a hungry helpless day.

"Devise another means whereby all can be fed,
 Support a fair price of the grains to us in all the daily bread;
 And let us control our own share of production
 By paying our surplus-share over the needed consumption.

"If the disease of agriculture is diagnosed as obesity
 We must obey the law to reduce with necessity;
 And it is only fair that the farmer and wife
 Pay their fair share of the surgeon's skilled knife."

That is, reduction of production of necessary acres from every farm.
 The CHAIRMAN. That is very nice. Thank you very much.

Mrs. SIMMERMON. Thank you.

The CHAIRMAN. The committee will stand in recess until 2 p.m.

(Whereupon, at 12:50 p.m., the committee recessed until 2 p.m., the same day.)

AFTERNOON SESSION

Present: Senator Holland (presiding).

Senator HOLLAND. The committee will please come to order.

Mr. Cushman S. Radebaugh is listed as the first witness.

STATEMENT OF CUSHMAN S. RADEBAUGH, PRESIDENT, AMERICAN NATIONAL CATTLEMEN'S ASSOCIATION, ORLANDO, FLA., ALSO REPRESENTING THE FLORIDA CATTLEMEN'S ASSOCIATION

Senator HOLLAND. All right, Mr. Radebaugh. You are the president of the American National Cattlemen's Association, a Florida livestock producer in your own right, former president of the Florida Cattlemen's Association. We will be glad to hear your statement.

Mr. RADEBAUGH. Thank you, sir.

The American National Cattlemen's Association is an organization composed of 37 State cattlemen and cattle feeder associations; more than a hundred local, county, regional, and breed associations, in addition to thousands of individual cattlemen and cattle feeders throughout the Nation.

Cattlemen and cattle feeders have a direct interest in farm programs and proposals involving feed grains. There is a close relationship between production and prices of feed grains and production and prices of beef cattle. As was pointed out in our testimony before you

last year when this committee was considering the 1963 feed grain program, in today's complex beef cattle industry, practically all of the cattle fit to be fed are being fed. In recent years there has been a rapid expansion in the beef cattle feeding industry. As a matter of fact, the tonnage of beef produced in feedlots probably equals the amount of beef that is produced on grass. Consequently, any factors or programs which affect the supply of feed grains have their effect on cattle prices.

For these and other reasons, we are pleased to have an opportunity to express the position of the American National Cattlemen's Association on H.R. 4997 now under consideration by this committee.

First, let us say that we are gratified that the proposed feed grain program which has passed the House and you are considering is voluntary in nature. But, we are concerned about some of the specifics contained in the body of the bill.

1. Since the referendum for the wheat certificate program will be held May 21, we believe that more facts involving the desires of the wheat producers, many of whom are feed grain producers—I must add cattlemen also—will be available after the referendum. It would be premature for the Congress, based on supposition, to act on this feed grain proposal before the referendum.

2. We recognize there is sometimes a need for latitude of action in administering farm programs. However, we feel that some provisions in the measure give entirely too much authority to the Secretary of Agriculture. For example:

(a) The price support for feed grains if established between 65 to 90 percent of parity, is too broad and some additional restrictions need to be placed on this area of the bill. This could be accomplished by congressional approval of the price support level as conditions warrant.

(b) In order to avoid any excessive manipulations of the market price for feed grains, we believe it would be wise that when certificates are issued they be redeemed either in cash or kind within 30 days after their issuance. This in our judgment would avoid any unusual speculations in the market price of feed grains since they would not be held for long periods of time in hopes of appreciation in their value. Further, we believe that the advance payments in kind should not be made until the cooperating producer has conformed to all of the principles, rules and regulations of the feed grain program. That is, he should be paid after he has demonstrated to the county ASCS committee that he has reduced the acres of feed grains that may be required by the Secretary in order to get the benefits.

(c) We believe that the Secretary should announce as early as possible prior to signup time the amount of feed grains he determines to be an adequate "carryover."

(d) Some intent also should be given at the earliest possible time as to how much of a diversion of the base feed grain acres will be necessary to achieve the reduced goal which the Secretary is to determine.

3. Since the sales or withholding of commodity credit stock bears directly on the free market price for feed grains, and since some of the other discretionary powers allotted to the Secretary could affect the market price, we believe that some type of advisory group or council should be set up from among members representative of the

industries which would be affected both directly and indirectly, so that any major decision made by the Secretary would not disrupt the normal channels of trade.

In summary, we feel that action prior to the wheat referendum on this legislation is premature and that serious consideration should be given to reducing the discretionary authorities given to the Secretary of Agriculture. Certainly, it should not be the intent of Congress, in this voluntary program, to adversely affect the related industries that depend so heavily upon feed grains.

We respectfully request your serious consideration of the points we have raised.

Senator HOLLAND. Well, Mr. Radebaugh, I appreciate your coming, and your testimony. I want to ask you certain questions if I may relative to your third point.

You say:

Since the sales or withholding of commodity credit stock bears directly on the free market price for feed grains, and since some of the other discretionary powers allotted to the Secretary could affect the market price, we believe that some type of advisory group or council should be set up from among members representative of the industries which would be affected both directly and indirectly, so that any major decision made by the Secretary would not disrupt the normal channels of trade.

Now you are referring—I assume you are—to that provision found in section 2 subsection (d) page 3 of the printed bill which reads:

Such portion of the support price for any feed grain included in the acreage diversion program as the Secretary determines desirable to assure that the benefits of the price support and diversion programs inure primarily to those producers who cooperate in reducing their acreage of feed grains shall be made available to producers through payments-in-kind.

Is it that provision which allows the Secretary to divide the total price support between direct payments and—or let us put it—production payments and price support? Is it this provision that you feel would allow him to unduly hold down the actual price support so that the grain could be disposed of at low prices under other provisions of the law? Is this what you have in mind in making that objection?

Mr. RADEBAUGH. Yes sir; and the fact that we have always maintained that there should be checks and balances in all of these major operations where there is a major discretionary power allowed and we would like very much to see some committee of Congress or the industries themselves as some kind of a check or balance on that.

Senator HOLLAND. Well, I am going farther than that and I assume that the committee could if it wishes put an amendment in the bill requiring the setting up of such an advisory committee, but I am thinking about the very great latitude given to the Secretary to set the direct payment and the price support or loan in any combination he wishes that will result in the level which he is seeking to reach, that is, between 65 and 90 percent. Do you think it is sound to vest that much authority in the discretion—

Mr. RADEBAUGH. No, sir.

Senator HOLLAND. Of the Secretary of Agriculture?

Mr. RADEBAUGH. No, sir, I do not. I think that would allow him to manipulate the market largely to his own discretion and it would affect our industry which is livestock almost as much as direct controls would. That is, it could be handled so that it would.

Senator HOLLAND. I note that in the previous testimony of the Secretary of Agriculture, Mr. Freeman, when he was being cross-examined by the Senator from Iowa, Senator Hickenlooper, stated that he understood that this provision of the bill allowed him to divide the total price support fixed by him between these two factors; that is, the loan upon which the resale price of CCC grain would be fixed, and the Brannan-type payment or production payment. I notice that Senator Hickenlooper asked the Secretary this question and received this answer.

"Now, I note"—and I will skip some words—

that you as Secretary have complete discretion to decide how much of the payments will be compensatory or, let's say, "Brannan" type payments. Would you agree that the bill, as passed by the House, would for instance permit you to set the loan rate at 50 cents a bushel and the compensatory rate at 75 cents a bushel if you wanted to?

I am not asking you whether you would or not, but I say, would it permit you to do so?

And the Secretary said, "I believe so."

And then the second question:

Would it permit you to set the loan rate at zero a bushel and the compensatory payment at 25 cents a bushel or a dollar or something else?

Secretary FREEMAN. I think so.

Senator HICKENLOOPER. You would have that discretion from zero to basically whatever you wanted to put it? So you could go to zero if you were so minded?

And the Secretary answered:

The mix between the acreage diversion payments and the price support payments is intentionally left rather broad for reasons that I related in response to the question from the Senator from Delaware this morning.

Senator HICKENLOOPER. Yes. Now, do you think that that complete discretion, from zero on up, is the kind of a discretion that really Congress ought to lodge in a Secretary?

And the answer of Secretary Freeman:

I think it is a modest discretion when it is considered in terms of the four corners of the law, the development of this program, the new mention to which it will move when we have eliminated surpluses.

I am asking you based upon that testimony and the provision of the bill with which you are already familiar whether you think it is sound by law to provide the Secretary of Agriculture, any Secretary of Agriculture or any individual, for that matter, with that much discretion?

Mr. RADEBAUGH. No, sir. I do not. I don't know one person in our organization who feels it is. We think it is extremely dangerous and that there should be some way to tighten down on this authority, either by taking this provision out or in some way altering it so that he doesn't have that extreme discretionary power.

Senator HOLLAND. You will remember, I think, that under the law now in effect, 18 cents was the total allowed to the Secretary to set as persuasive payments or attractive payments or compensatory payments to go to cooperators over and above the rest of the payment which was fixed as the price support.

Mr. RADEBAUGH. Yes, sir.

Senator HOLLAND. This proposed bill is not based upon any such fixed compensatory payment, but as we have already seen from the testimony which I have read, leaves the sky the limit in the fixing of

the compensatory payment for all or any part of the total payments fixed by the Secretary under the terms of this bill.

If I understand your testimony, you feel that not only would that discretion be completely unwise, but that if used in certain ways could very greatly and adversely affect the industry which you are here to represent.

Mr. RADEBAUGH. That is correct; yes.

Senator HOLLAND. By fixing the resale price from the Commodity Credit Corporation at very low figures indeed.

Mr. RADEBAUGH. That is right; of commodities that we would have to have to operate.

Senator HOLLAND. Senator Talmadge?

Senator TALMADGE. No questions.

Senator HOLLAND. Senator Aiken?

Senator AIKEN. There is just one thing that bothers me. We have been told repeatedly that one of the reasons for the emergency feed grain program was to reduce the supply of feed and thereby raise the price of livestock. Have you any explanation for the fact that now when they claim that the supply of feed is the lowest it has been for some time it is accompanied by a sharp drop in the price of livestock? It doesn't make sense. Something is wrong.

Maybe some of the assertions are wrong.

Mr. RADEBAUGH. Well, the price of livestock, the present low price of livestock, is affected by a number of different elements. One is this that you have just mentioned. One is this tax ruling on the entertainment feature. We have 40 percent more imports this year than we had last. That is—

Senator AIKEN. Of livestock?

Mr. RADEBAUGH. Both live cattle and carcass cattle.

Senator AIKEN. Also dairy products, cream.

Mr. RADEBAUGH. Yes, sir. A combination of things. There are a number of things that have affected this, but now the dangerous point now, Senator, is that at the present time the enormous amount of cattle on feed, fed to abnormally high, heavy weights in the Midwest, and this would definitely come back on the question you have asked and could be very injurious.

Senator AIKEN. Now, when the full effect of the tax bill is felt and the demand for filet mignon and thick steaks drops off, that I, suppose, will result in less corn-fed animals, won't it?

Mr. RADEBAUGH. It should have but it hasn't yet.

Senator AIKEN. No; because the calves were already born, weren't they, before this emergency program got underway?

Mr. RADEBAUGH. You mean in the production part of it?

Senator AIKEN. Yes. In the production part.

Mr. RADEBAUGH. I will tell you, if I may divert, deviate just a little bit, we come back onto the human nature problem when we ask that. The country as a whole has had better grass this year than they have ever had, or had for a number of years, and our ranges are pretty well stocked to capacity. I am saying that they held back the cows that they would have marketed normally, to raise one more calf off of them because of the range conditions.

This has put us in a tight position, not from an overproduction standpoint but from the standpoint that we have no slack to take up in case there is a major drought in the country or something of that nature.

In looking toward that, trying to alleviate that situation, we are meeting it now with the importers from these different countries trying to put some kind of a voluntary quota or something on it in the industry itself and control that.

Senator AIKEN. How helpful has been the declaration of disaster areas and the provision for furnishing corn at three-fourths of the support price? Has that helped many of your people?

Mr. RADEBAUGH. Senator, I can't answer that, I am afraid, except as an individual and locally, and I don't think it has helped us locally.

Senator AIKEN. I guess that is all.

Senator HOLLAND. Thank you very much. Happy to have had you. The next witness shown here is Mr. T. K. McClane. Mr. McClane, have a seat.

**STATEMENT OF T. K. McCLANE, JR., EXECUTIVE VICE PRESIDENT,
FLORIDA FARM BUREAU FEDERATION, GAINESVILLE, FLA.**

Senator HOLLAND. Do you have a written statement?

Mr. McCLANE. Yes, sir.

Senator HOLLAND. All right, sir. Proceed.

Mr. McCLANE. Mr. Chairman, on behalf of the more than 33,000 farm family members of the Florida Farm Bureau, I wish to express appreciation for allowing me to appear before your committee to discuss very briefly the implications of the Feed Grain Act on Florida agriculture.

Florida is a great agricultural State. We are best known for our fine citrus, fruit, and vegetable crops, however, I'm sure that this committee is aware that Florida is one of the fastest growing livestock, dairy, and poultry producing areas in the whole country. This changing agriculture is good for Florida. We believe that the income figures substantiate this statement.

For example, total cash receipts rose sharply in 1962 in Florida, reaching a total of some \$8,675 per farm. This was up 25 percent from a year earlier. These gross receipts rose primarily because of the substantial increase in receipts from milk, cattle, calves, oranges, grapefruit, and eggs. I hasten to add, Mr. Chairman, that our expenditures were also up, in fact, quite sharply.

One of the biggest expenses we have in the livestock industry in Florida is the purchase of feed. This is why we are so interested in the legislation before the committee at this time. The so-called emergency feed grain programs of 1961, 1962, and 1963 have sharply increased costs to livestock, dairy, and poultry feeders in Florida.

Florida has always and historically been a deficit grain producing State, primarily corn, but we have steadily increased our corn production until we were producing about 40 percent of our consumption until the feed grain programs went into effect. Most of our corn producers, especially under the 1963 feed grain program with compensatory payments, could not ignore the economics involved and are participating with a corresponding decrease in total production.

This means our livestock and poultry producers must pay higher prices for shipped-in corn, primarily from the Midwest. For example, our planted corn acres were down 43,000 acres in 1962 over 1961 with a decrease of over 600,000 bushels even though the yield per acre was up. It is anticipated the reduction in corn production will be

even greater under the 1963 feed grain program, of course, of which we do not know the full effect.

The operation of the feed grain program has been a disrupting influence in the livestock, dairy, and poultry industry. The Secretary of Agriculture, utilizing the authority granted him under this act, has utilized CCC stocks at will to cause decreases and increase in the cost of feed grains that would otherwise not have taken place if the CCC had not injected itself into the feed grain business.

The cost of this program to the taxpayers of the Nation, while of great interest, is not the primary cost. This must be measured in terms of increased cost to farmers.

On behalf of the Florida Farm Bureau, we recommend that this legislation not be passed. It contains authority and gives wide discretion to the Secretary of Agriculture to utilize compensatory payments. We believe that this approach is bad for agriculture. The Florida Farm Bureau has long been on record against the use of compensatory payments.

Mr. Cushman Radebaugh, president of the American National Cattlemen's Association, and an outstanding cattleman from our State, from Orlando, Fla., has spoken for the cattle industry in the United States and Florida.

John Johnston, of the Florida Dairy Farmer Federation, will express the direct concern of the Florida dairy farmers with regard to this feed grain legislation. Mr. Herman Jones, an outstanding poultryman from Jacksonville, Fla., will detail for you the reasons the poultry producers are opposed to this legislation.

In my capacity as executive vice president of the Florida Farm Bureau Federation, I have had an opportunity to deal with all the various segments of agriculture in our great State, and I say to you, Mr. Chairman, that this bill moves in the exact opposite direction to that recommended by the majority of agricultural privilege of being free from any direct governmental interference. We would like to keep it that way. We, therefore, recommend that the feed grain bill now under consideration by this committee not be approved.

Senator HOLLAND. Mr. McClane, do you have any figures as to the increased cost of feed grain to livestock, dairy, and poultry feeders in Florida that have resulted from the emergency feed grain programs of 1961 or 1962 already and that you think will continue to result from the 1963 program?

Mr. McCLANE. Yes, sir. I have an estimate based on figures which I received from the College of Agriculture at the University of Florida and based on the number of purchases from out of State and the increase of an average of 12 cents per bushel which is the difference which will be borne out by another witness, which would be somewhere in the neighborhood of \$2 million.

Senator HOLLAND. You mean that the average increase of 12 cents a bushel has resulted from the programs of 1961 and 1962?

Mr. McCLANE. Yes, sir.

Senator HOLLAND. In increased cost to Florida livestock, poultry and dairy operators?

Mr. McCLANE. Yes, sir. This is over and—this is not, of course, applying this figure approximately of 20 cents per bushel differential in freight rates which is only on the part which had to be purchased in addition.

Senator HOLLAND. Of course, the 20-cent differential in freight rates is something that Florida operators in these three fields have to pay regardless.

Mr. McCLANE. Unless it is——

Senator HOLLAND. When they are producing a deficit of feed grain for their own needs.

Mr. McCLANE. Yes, sir.

Senator HOLLAND. And that means that the increased cost bears more heavily upon Florida operators than it would on operators who are close to the areas of heavy production of feed grains, is that correct?

Mr. McCLANE. Yes, sir; plus the fact that any decrease in Florida production of corn and other grains is subject not only to the change in the increasing price but it also gets the 20 cents per bushel or the—well, I can't figure it exactly on a ton basis, the additional freight rates.

Senator HOLLAND. In other words, you mean that to replace the shortage in production which you say was about 600,000 bushels——

Mr. McCLANE. Approximately; yes, sir.

Senator HOLLAND. That grain to be brought in must be brought in with the payment of the premium of 20 cents a bushel in freight rates over and above grain moving to nearby areas near the heavy production of feed grains.

Mr. McCLANE. Plus whatever increase has gone up in the market cost of the corn. There are two figures there.

Senator HOLLAND. Are both of these figures included in your estimate of \$2 million cost?

Mr. McCLANE. Oh, yes.

Senator HOLLAND. The larger of the two would be the figure for the payment of this freight overcharge or additional charge, or extra charge, on the grain that is not produced in Florida.

Mr. McCLANE. On the reduction caused. You see, you are very familiar, Senator, that in Florida the way the program is set up, our corn producers could not economically ignore this program. It was too attractive to stay out of. That is why——

Senator HOLLAND. You mean the 18 cents per bushel.

Mr. McCLANE. This on top of the——

Senator HOLLAND. Of compensatory payments over and above their actual loan amount——

Mr. McCLANE. Yes, sir.

Senator HOLLAND (Continuing). Or actual price support attracted many people to go into the program and thus reduce the volume of feed grain produced in our State, is that correct?

Mr. McCLANE. In an area where we were rapidly expanding the production of corn.

Senator HOLLAND. In place of the rapid expansion in production, as I understand you, we lost 600,000 bushels.

Mr. McCLANE. 43,000 acres, set back. Yes.

Senator HOLLAND. In which year?

Mr. McCLANE. 1962. This is in—either 1962 or 1963, Senator. It was not 1961. I did not compute it for 1961. 1962 over 1961, yes, sir.

Senator HOLLAND. 1962 over 1961 the reduction was 43,000 acres or 600,000 bushels.

Mr. McCLANE. Yes, sir.

Senator HOLLAND. Well, now, to come back to the same point that I explored with Mr. Radebaugh, I notice you mention it but you

don't elaborate on it, when you say that this program in this present pending legislation—

contains authority and gives wide discretion to the Secretary of Agriculture to utilize compensatory payments. We believe that this approach is bad for agriculture and the Florida Farm Bureau has long been on record against the use of compensatory payments.

Do you understand that under this pending legislation, instead of having a set compensatory payment of 18 cents a bushel as prescribed by the current and the earlier emergency legislation that under this proposed law the sky is the limit?

Mr. McCLANE. That is right.

Senator HOLLAND. And the Secretary of Agriculture is given complete discretion to divide in any way he sees fit the total price set by him for corn, that is, per bushel, between that part which would be the loan value and that part which would be compensatory payments.

Mr. McCLANE. Yes, sir. Wide discretionary authority between 65 and 90 percent on the one hand and practically no limit on the other hand which, of course, we don't think anybody should have that much authority.

Senator HOLLAND. You realize, of course, that is put in there deliberately, and I quote now from the law itself.

The Secretary shall make available to producers through payments in kind such portion of the price support for any feed grain included in the acreage diversion program as he determines desirable to assure that price support and diversion program benefits inure primarily to producers who cooperate in reducing their feed grain acreage.

To state that another way, wouldn't it be fair to say that that makes it clear that a maximum of persuading authority is given to the Secretary of Agriculture to persuade—

Mr. McCLANE. Without question.

Senator HOLLAND (continuing). Growers of feed grain to go into this so-called voluntary program?

Mr. McCLAIN. We think they would be forced to.

Senator HOLLAND. And the defense of that feature of the act by the Secretary in his statement the other day, which I have read a few minutes ago, shows very clearly that he thinks that that is a must part of the program and a part which he would not like to see changed. I don't believe that I read on to the—I will read further from Secretary Freeman's testimony of the other day:

Actually, the support price in this bill is between 65 and 90. And then the payment adjustment, in connection with that support price is left to the discretion of the Secretary, which is the only change, where previously it was 18 cents.

The Secretary is now stating this himself. That is the change. And he says that is the only change where previously it was 18 cents.

Mr. McCLAIN. Yes.

Senator HOLLAND. And the Secretary continued:

So this is actually not a very significant change.

Do you agree with the Secretary that that is not a very significant change?

Mr. McCLANE. Indeed I do not, Senator.

Senator HOLLAND. And then Senator Hickenlooper proceeded with this question:

Well, would you object to them retaining it as it was originally?

And Secretary Freeman responds:

I think I would feel very strongly that it is important that the amount of discretion, which was the product of some very, very careful thought and review and hearings should remain as it is on——

Senator HICKENLOOPER. You mean as it is in the bill we are considering?

Secretary FREEMAN. As it now stands in the bill before you; yes.

Senator HICKENLOOPER. Well, then, it must be a significant change from the other bill?

Secretary FREEMAN. Well, that is a question of definition, I suppose. I would say it is important.

And I do not think that the increased discretion, in and of itself, is a great delegation of authority, by no means.

Do you agree with the Secretary that this is not a great delegation of authority?

Mr. McCLANE. Indeed I do not, Senator. I don't see how he could visualize that as not of great degree, in fact, almost unlimited discretion.

Senator HOLLAND. And then the Secretary winds up his statement by saying:

I think it is well within the normal congressional delegation of discretion.

Do you know of any other instance in farm legislation where the the Secretary has been given full discretion to set up to 100 percent of the price support as compensatory payments rather than as loan value?

Mr. McCLANE. Not within my memory, Senator. I can't remember any instance.

Senator HOLLAND. Senator Aiken?

Senator AIKEN. Yes. Senator Holland, I think there is one factor in this increased cost of feeding we have all overlooked. Do you use quite a lot of protein meal?

Mr. McCLANE. Yes, sir.

Senator AIKEN. And you realized a change in the price of that in the last year or two?

Mr. McCLANE. Yes, sir.

Senator AIKEN. In other words, the latest feed situation shows that on March 1, 1962, soybean meal f.o.b. Decatur was \$57.50 a ton. On March 1, 1963, it was \$73 a ton, up \$15.50 a ton.

Now, you may recall, Senator Holland, that when the Secretary first obtained the feed grain program, he encouraged everybody to plant soybeans on the land taken out of feed grains. In fact, he upped the support price of \$1.85 a bushel to \$2.30, even though the market price of soybeans was \$2.60 at the time. However, he got his production of soybeans up to around 700 million bushels a year and the price of soybean oil dropped from about 13 cents a pound to about 8 cents. It is up around 9 cents now. To make up for the loss on the soy oil, the price of soy meal was increased to you feeders \$15 or \$16 a ton. It varies. And that is one of the byproducts of the feed grain program. They are very, very quiet about the soy oil program.

We did have Mr. Murphy, I believe, say the other day that they had given away to charitable organizations for distribution abroad about 500 million pounds in the last year compared with 8 million pounds of butter oil. They are hanging on to all the butter—300-odd-million pounds.

I guess you will have to pry it out of them with a chisel to get them to loosen up on that butter because that makes the dairy

business look bad as long as they can hold on to it. It also holds prices down. But they are kind of quiet about the soybean and the oil situation. They are getting rid of it but they are giving it away. In fact, we sent not long ago, Senator HOLLAND, 20 million pounds of vegetable oil, and I assume that was soy oil, down to Florida to help maintain the Russian Army down there, or somebody.

Senator HOLLAND. We have no Russian Army in Florida.

Senator AIKEN. Well, I understand there are some Russians down there.

Senator HOLLAND. You mean in Cuba.

Senator AIKEN. I meant to say "Cuba."

Senator HOLLAND. Oh, that is different.

Senator AIKEN. Yes. But you know, they are awfully close. And there were 20 million pounds of oil that went down there. Of course, we had 20 million pounds of butter we could have given them. I think the Russians could have lived on butter all right, too. But I am just pointing out that is one thing that has happened to the cost of feeding.

The Secretary has put enough corn on the market so that the price hasn't really got up any higher than it was in 1958 and 1959, but the protein prices went sky high and that was simply to make up on what the processors were losing on the oil. And you can't separate those two programs. They were inaugurated at the same time and they are tied together.

Every effort is made to make one of them look successful, which it is not, and if the other one looks bad, which it is, we can thank the manipulations.

That is all. That is enough.

Senator HOLLAND. I bring your attention to this wording from the majority report of the committee in the other body. It seems to me it makes it very clear that the cooperators are to be a highly favored class, so favored that nobody can afford to not be a cooperator. I am quoting:

Such payments in kind—

and that is the compensatory payment—this is on page 16, near the bottom of the page—

such payments in kind shall be made through the issuance of negotiable certificates which shall be redeemed for feed grains by the Commodity Credit Corporation. Commodity Credit Corporation shall assist the producer in the marketing of such certificates. Feed grains with which Commodity Credit Corporation redeems the negotiable certificates shall be valued at not less than the current support price minus that part of the current price made available through payments in kind, plus reasonable carrying charges.

It is very clear, isn't it, that the grain to be paid for these certificates to cooperators, which are to be redeemed in kind, is to be valued at a very low valuation providing the Secretary fixes the compensatory payments at a high level?

Mr. McCLANE. This would be my interpretation, particularly if the current support price was set at that figure.

Senator HOLLAND. Well, I want you to look again at this key sentence.

Feed grains with which Commodity Credit Corporation redeems the negotiable certificates shall be valued at not less than the current support price minus—

that is subtracting—

that part of the current price made available through payments in kind.

Mr. McCLANE. Oh, yes.

Senator HOLLAND. "Plus reasonable carrying charges."

Mr. McCLANE. I see your point.

Senator HOLLAND. In other words, by fixing the compensatory payments at the high level, the redemption grain moves to the holders of those certificates who are the cooperators at an extremely low price, does it not?

Mr. McCLANE. Proportionately, yes. Less, as I understand it.

Senator HOLLAND. Had you noticed that feature of the bill?

Mr. McCLANE. No, sir, I had not.

Senator HOLLAND. Well, do you think it is worthy of notice and do you think that it marks a very substantial departure from the present law?

Mr. McCLANE. Oh, yes, sir. It is entirely in the opposite direction from the present law.

Senator HOLLAND. Under the present law the 18 cent compensatory payment was set at 18 cents. Under the proposed law there is no maximum except the total of the so-called price support. And so it seems wholly clear to me that the power to manipulate at discretion this whole program would be surrendered by the Congress to the Secretary if this feature remains in the bill.

Mr. McCLANE. This is our interpretation.

Senator HOLLAND. Thank you. Thank you very much.

Mr. McCLANE. Thank you, sir.

Senator HOLLAND. I have a telegram from the legislative committee of the Suwannee County Farm Bureau, which I will ask be inserted in the record at this point.

(The telegram is as follows:)

LIVE OAK, FLA., May 4, 1963.

HON. SPESSARD HOLLAND,
U.S. Senator, Washington, D.C.

DEAR SENATOR HOLLAND: The Suwannee County Farm Bureau is unanimously opposed to the extension of the feed program. We earnestly solicit your support in opposing this bill.

THE LEGISLATIVE COMMITTEE,
H. L. JOHNS, *Chairman*,
WALTER E. ROBERTS,
ORAN E. TERRY.

Senator HOLLAND. The next witness stated here is Mr. John Johnston of the board of directors of the Florida Dairy Farmers Federation. Mr. Johnston.

STATEMENT OF JOHN J. JOHNSTON, KISSIMMEE, FLA.

Mr. JOHNSTON. Mr. Chairman, I want to express my appreciation for the opportunity of presenting my views on H.R. 4997 before this committee. I am a dairy farmer from central Florida; and though I am not officially representing any organization, I do feel I reflect the opinion of those with whom I am associated. I am presently on the board of directors of the Central Florida Milk Producers Association, a general dairy farmer marketing association, and a member of the Florida Dairy Farmer Federation. I am also a member of the boards of directors of the Farmers Cooperative Exchange, a feed

cooperative, and of Perfection Dairies, a milk processing and distributing cooperative. In these capacities I have found reason to become concerned by the many interventions of Government, which indirectly affect my income in so many ways. Of these interventions, one of the most serious is the feed grain program, because of the percentage of the total cost of milk which it composes.

The dairy industry is important to the economy of Florida. In 1962, 1.3 billion pounds of milk produced in this State had a farm value of \$88 million.

Dairy farmers in Florida are continually striving to increase their operating efficiency and to lower their production costs. In 1962, the average milk cow in the State produced 7,270 pounds of milk. This was nearly 60 percent above the average of 10 years earlier—a tremendous accomplishment when one considers the hundreds of years we have depended on cows for one of our finest foods.

I might add that my production is nearly 2,500 pounds in excess of this figure. So——

Senator HOLLAND. Your average production per cow, you mean?

Mr. JOHNSTON. Is around 9,200 pounds per cow.

Senator AIKEN. What is your daily production?

Mr. JOHNSTON. Daily production—we are now producing about 310 gallons a day.

Senator AIKEN. 310 gallons?

Mr. JOHNSTON. Yes, sir. That would be, let's see, 2,500 pounds per cow roughly.

We unfortunately think in gallonage since that is the way our milk commission structure is based in large part.

Senator AIKEN. Is that the number of cows you want to milk?

Mr. JOHNSTON. Well, on that at the present time it is a good economic unit for our particular operation.

Senator AIKEN. You are not milking any more than you want to, then?

Mr. JOHNSTON. No, sir. No, sir.

Senator AIKEN. The reason I ask is that there was in my office a month ago a good-size dairyman from my State who said, "We are milking 25 cows. We wish we could stop milking them but we don't dare until we know what is coming out of these proposals."

Mr. JOHNSTON. Well, I think that that is the feeling nationwide, that you had better be at a point that you want to remain or climb there as rapidly as possible.

Senator AIKEN. There is a feeling in the Northeast, I am sure, that a very large percentage of the dairymen are milking more than they want to milk, more than they ought to milk, more than they can milk economically, simply because of the constant pressure to put quotas on them. If they get the quotas, then they want to feel that they are not back below a level which will enable them to make a fairly respectable living.

Senator HOLLAND. On that same point, isn't all or practically all of your milk consumed as milk?

Mr. JOHNSTON. Yes, sir, it is.

Senator HOLLAND. All of it?

Mr. JOHNSTON. I would say that at this point, 90 percent of mine is—well, it is running higher than that, probably 98 percent of mine is going on the table as fluid—in fluid form.

Let's look at a few facts to illustrate how important feed grains are to the production of milk in Florida. Here was the situation in 1961:

(a) Grain and other concentrates fed to milk cows on all farms where milk was produced:

| | |
|---------------------------|----------|
| Fed per cow (pounds)----- | 4, 660 |
| Total fed (tons)----- | 447, 000 |

Senator HOLLAND. From what statistics do you quote?

Mr. JOHNSTON. These are from the Department of Agriculture, USDA figures, sir.

(b) Homegrown and purchased feeds as percentages of total used in concentrate rations fed to milk cows:

[In percent]

| | Homegrown | Purchased |
|-------------------|-----------|-----------|
| Corn----- | 18 | 82 |
| Total ration----- | 2 | 98 |

And I might further stipulate that in central and south Florida you would find even a larger percentage of purchased feeds.

Senator HOLLAND. In other words these figures are statewide and they must be read against the fact that in north and west Florida the production on the farms of grain and other feeds is greater proportionately than it is in the peninsula.

Mr. JOHNSTON. That is correct, Senator.

These figures demonstrate how greatly Florida dairymen depend on other farmers to supply concentrate feeds.

We do not have "milk-feed price ratio" figures for Florida but here is the situation for the entire South Atlantic region which includes Florida:

Number of pounds of concentrate ration equal in value to 1 pound of whole milk sold by farmers (the higher this number is the more favorable the feed situation for dairy farmers):

| | |
|-----------------------------|-------|
| March average, 1957-61----- | 1. 66 |
| March 1962----- | 1. 74 |
| March 1963----- | 1. 61 |

These figures show that the milk-feed price relationship is less favorable for dairy farmers than it was a year ago or than it was on the average during the 5-year period of 1957-61.

Dairy farmers in Florida have substantial investments in their farms. Purchased feed is the major cost item, and the prices that the farmers must pay for such feed will determine whether they can stay in business.

According to a study made by the University of Florida of dairy farms in the "northeast area," farmers' investments averaged \$749 per cow and \$172,170 per farm.

Production costs averaged 55.9 cents per gallon. Of this amount, 25.7 cents—or nearly half—was spent for "feed purchased."

Senator HOLLAND. Do you know what the northeast area of Florida is roughly?

Mr. JOHNSTON. The northeast area consists of about nine counties coming as far south as Daytona Beach and Volusia County and including Nassau, Baker, Duval.

Senator HOLLAND. Nassau and Clay.

Mr. JOHNSTON. Yes, sir. And basically in order to clarify this thing, our milk commission over a period of time has arrived at the conclusion that there is not enough differential in cost in the State of Florida to make any adjustment in price that we receive. So basically these figures should be more or less applied to the entire State.

The feed grain program is designed to reduce production of feed grains and to increase prices from the levels that would be set by normal competitive processes in the market. The economic interests of dairy farmers in Florida and other Southern States would be adversely affected if either of these objectives were accomplished.

Southern dairy farmers do not seek to buy feed produced in other areas at less than cost but they do object strenuously to a program designed to use governmental police powers to force feed grain prices to artificially high levels.

Senator HOLLAND. In other words, you are not for any program that is designed to force up feed grain prices beyond what they should be in a comparative market.

Mr. JOHNSTON. That is correct, sir. One of our main reasons for that is the fact that our milk price is controlled. We are operating under the State milk commission. It has been 10 years since we had a price increase in our milk. The fact is the last change in my area was a 1 cent decrease and that has been back several years ago, and that was because the State went on a statewide basis rather than any basis for cost, and we feel like we haven't got any way to pass this cost on, so we don't want any additional supports put on somebody else which we will have to take out of our net market.

Milk production costs already are high in the South, despite great strides in efficiency, and dairy farmers in that area must not be driven into bankruptcy by an unsound Federal feed grain program.

In closing I would like to point out that we as dairymen have done all we can to lower our costs, even to building our own feed mills and storage facilities—now, this is what we personally have done in our little area. There are 22 dairy farmers who have put up their own feed mill and their own facilities in order that we may purchase our feeds to best advantage.

Senator HOLLAND. Is that the organization that you speak of as the Farmers Cooperative Exchange, a feed cooperative?

Mr. JOHNSTON. That is correct, Senator.

Senator HOLLAND. That is composed of yourself and 21 other dairy farmers in the central Florida area?

Mr. JOHNSTON. Yes, sir; with a local manager, and he has done a tremendous job for us. He has made us money, but in this bill, House of Representatives bill 4997, the Secretary of Agriculture is allowed to manipulate prices which will make it impossible for our feed companies to anticipate trends.

Now, we have made a practice of letting our manager buy and store feed at low cost and try to make what profit we could that way because actually our milk profit is so low, our margin is very small, and this has helped us stay in business, and if this bill is allowed to pass where he has this full range of manipulation, by putting this grain in and taking it out of the market, we just feel like there is no way that we can anticipate what the market is going to do and any buying advantage we may have had we will lose.

Senator HOLLAND. In other words, you won't be allowed to figure against competitive situations in the market resulting from the supply and demand factors that exist at the time.

Mr. JOHNSTON. That is correct.

Senator HOLLAND. Instead you have to buy against the hazard that the Secretary has the discretion to dump grain supplies at prices even lower than those that prevail at the time that they seem attractive to you.

Mr. JOHNSTON. That is correct, Senator.

Senator HOLLAND. In other words, you feel like you are fighting for your right to survive in fighting any program which would artificially drive up the level of a major operating cost, the cost of your feed for your cows.

Mr. JOHNSTON. That is correct, sir.

Senator HOLLAND. All right, go ahead.

Mr. JOHNSTON. That will conclude my statement here. I will be happy to attempt to answer any questions.

Senator HOLLAND. Well, I thank you very much. I think you have made a very clear and understandable statement which I appreciate.

Before you get away, isn't it true that for you as a dairyman, for your whole producing group in Florida, and for the poultry people and for the livestock people, they are all industries which have to rely in large part on shipped-in grain. A program like this makes your operation more difficult, less profitable, and less likely to survive?

Mr. JOHNSTON. It can't help but do just that, Senator.

Senator HOLLAND. Thank you.

Senator Hickenlooper?

Senator HICKENLOOPER. No, thank you.

Senator HOLLAND. This is Mr. Johnston, a small dairy farmer.

Senator HICKENLOOPER. Mr. Johnston, I enjoyed your statement very much. I am sorry I did not get here a little earlier, Mr. Chairman. I just want to say, Mr. Johnston—well, your own Senator, Senator Holland, and I in certain details of agricultural programs don't have the same problems but fundamentally I always found him to be one of the most zealous of our Senators in protecting the basic economy of the farmers in his State.

Mr. JOHNSTON. We are very proud of our Senator.

Senator HICKENLOOPER. Well, you have every right to be. He has done great work for agriculture, generally, and more especially for the agriculture of his State, on which he is quite an expert. And he has done a lot for agriculture generally.

Senator HOLLAND. Well, off the record——

(Discussion off the record.)

Senator HOLLAND. Mr. Herman Jones, poultryman, is here from Florida. I will ask that he take his seat.

You may proceed, sir.

STATEMENT OF HERMAN JONES, JACKSONVILLE, FLA.

Mr. JONES. I am Herman Jones, a poultryman from Jacksonville, Fla. and at this time I want to thank this committee for giving me this opportunity to come before you and express a poultryman's views.

I am a member of the following poultry organizations: President of the Florida Hatchery & Breeders Association; member of the board of directors of the Florida Poultry Industry Federation; member of

the Florida State Poultry Producers Association; Florida vice president of the Southeastern Poultry Association; chairman of the Poultry Committee of the Florida Farm Bureau.

Senator HICKENLOOPER. May I interpose and say you sound a little like a politician listing the lodges he belongs to.

Mr. JONES. At this time I am not speaking as a representative from these organizations, but feel that I am speaking for a majority of the members, knowing that they will agree with me in regard to the proposed feed grain bill and the money it has cost, is costing, and will cost us.

Senator HOLLAND. May I ask if the fact that you are not speaking in a representative capacity results from the fact that there hasn't been any chance to have a general meeting of the poultrymen since this issue became live?

Mr. JONES. Very correct.

Senator HOLLAND. Go ahead.

Mr. JONES. Feed cost amounts to approximately 60 percent of our total cost to produce a dozen eggs. The past 2 years speak for themselves. Corn has averaged to us approximately 12 cents per bushel more this year than last and our income per dozen eggs has not materially differed, but our profit has been smaller. At this moment we are moving our feed mill, that is, our own operation, to an area that is producing corn and we feel that our needs can be taken care of by locally produced corn, but if the feed grain bill is inaugurated we will not have locally produced corn and will have to buy corn from other areas. This will amount to increased costs to us, or lower profits.

Taking our operation for example, at this time we are using approximately 2,000 bushels of corn per week and the variation in price from locally produced corn to imported corn runs on an average of 20 cents more per bushel for the year. This amounts to an extra cost to our organization of over \$20,000 per year.

Senator HOLLAND. You mean your own?

Mr. JONES. This is our own operation.

Senator HOLLAND. Your own private operation and not your association?

Mr. JONES. No, sir. This is our own company.

If we could continue to grow more corn in Florida and not restrict our producers as the feed grain bill would, the cost would be less to the Federal Government, we would have more profit, and keep more money in our State.

To further clarify this, the examples below are: There would be more cost to the Federal Government by giving compensatory payments. Corn producers in our area would have more income and be able to spend their money in our State; plus our organization would be receiving an extra \$20,000 over the cost now incurred. If this were profit, as you well know, the Federal Government would receive half of this in taxes.

Going into the cost of corn versus cost of production—and I might say this is corn only that I am speaking of here—we find that 20 cents per bushel more of corn is equal to 1 cent more cost per dozen eggs. Therefore, we feel that this feed grain bill will be an added cost to everyone who is affected, which amounts to quite a large segment of agriculture and to the ultimate consumers, and no one receives profit.

Senator HOLLAND. May I ask you about your feed plant which you say you are moving to a local corn-producing area. Where are you moving?

Mr. JONES. We are moving to Alachua, Fla.

Senator HOLLAND. That is the county of which Gainesville is the county seat?

Mr. JONES. Right.

Senator HOLLAND. Near the State university. And you are moving your plant, crushing plant, feed plant, down there because in Duval County you do not have any adequate production of grain.

Mr. JONES. We are.

Senator HOLLAND. The whole purpose of your move will be adversely affected if this program should go—

Mr. JONES. Our advantage which we thought we would be working with is definitely to be lost.

Senator HOLLAND. Senator Hickenlooper?

Senator HICKENLOOPER. I think, Mr. Jones, as I said a minute ago, I think we have in my part of the country a different problem somewhat in agriculture than in yours for producing products at a price that people can buy, which includes yours. I wonder, however, if a great deal of your costs in feed don't go into transportation, delivery, and so on, freight rates.

Mr. JONES. Yes, sir. I would say there is a good deal of that.

Senator HICKENLOOPER. In other words, if you could buy corn at 90 cents a bushel, it would be a great help to you, wouldn't it?

Mr. JONES. Definitely, for a short term, we feel, anyhow.

Senator HICKENLOOPER. Well, of course, our problem out our way is that 90-cent corn is not a very good price of corn considering what the farmer has to buy. He doesn't make much profit on it at that, and 13-cent hogs and 12-cent hogs are getting right down close to the hardly trading dollars situation. And 19- and 20- and 21-cent cattle are low. We have those problems out in that area.

Mr. JONES. That is true. I want to say this—

Senator HICKENLOOPER. I am wondering, I think we have transportation costs, too, involved.

Mr. JONES. That is true. On 20 cents a bushel transportation adds a lot, but on this grain bill the 12-cent difference from last year, and if it was 12 cents this year with the broader powers that want to be given to the Secretary of Agriculture, what will it be next year?

Senator HICKENLOOPER. The powers are pretty broad, I will say that.

Mr. JONES. Because the thing about it is it not only affects the grain, maybe the grain people feel that they would want broader power given to the Secretary of Agriculture, but he is not affecting only the grain people. He is affecting poultrymen, dairymen, cattlemen, everyone. And our market, like so many of the other agricultural markets in Florida, is determined by supply and demand, and like I said, our egg price receipt per dozen is approximately the same this year as last year but on 12 cents a bushel corn—

Senator HICKENLOOPER. You mean 12 cents extra?

Mr. JONES. 12 cents extra against last year alone. And the broader power given to your Secretary, we don't feel that it is justified, that it can't be given to him.

Senator HICKENLOOPER. Thank you very much, Mr. Jones.

Thank you, Mr. Chairman.

Senator HOLLAND. Thank you, sir.

Well, now, the committee staff has handed me a statement of Mr. Herbert H. Ladish, president, Malting Barley Improvement Association, Milwaukee, Wis. Do I understand that Mr. Ladish wants this statement filed? The statement will be filed.

(The prepared statement of Mr. Ladish follows:)

STATEMENT OF HERBERT H. LADISH, PRESIDENT, MALTING BARLEY IMPROVEMENT ASSOCIATION, MILWAUKEE, WIS.

Mr. Chairman and members of the committee, in order to conserve the time of the committee, I am limiting to brief summary form this respectful request for exemption for malting barley under the same conditions as are provided in H.R. 4997, which was adopted by the House of Representatives on April 25, 1963.

This exemption is:

- (1) Discretionary with the Secretary of Agriculture.
- (2) May never need to be invoked, which the malting and brewing industries hope.
- (3) If invoked, will not cause a surplus of malting barley.
- (4) Needed to avoid undesired increased imports of foreign malting barley.

The 1962 malting barley crop was exempted from diversion requirements by law largely due to the fact that in 1961 adverse conditions in North Dakota, Minnesota, and South Dakota resulted in a sharply reduced crop which necessitated importing 15 million bushels from Canada, Australia, and Europe; a 37 percent increase in imports. Furthermore, early in 1962 an additional 5 million bushels of foreign malting barley were imported. This represented barley purchased in 1961 for spring delivery the following year. Therefore, the total foreign malting barley that was necessary to be imported as the result of the 1961 shortage actually amounted to more than 20 million bushels, or nearly 100 percent above 1960 figures. In latter 1962 and early 1963 virtually no malting barley has been imported, since the 1962 crop was found to be adequate for requirements.

Even though barley farmers were free to plant all the barley they desired in 1961 and malting barley farmers were exempted by law in 1962, the acreage was not increased. For the 1963 crop, exemption was granted subject to the determination by the Secretary of Agriculture that a shortage existed. The Secretary determined not to grant the exemption applying to 1963 acreage, which decision was not questioned by the brewing and malting industries because the 1962 crop was considered to be adequate.

Because malting barley is not a feed grain, and to assure an adequate supply if shortage is threatened, and to avoid increased imports of foreign malting barley, it is respectfully requested that in the Senate bill now under consideration the Secretary of Agriculture be given the authority to exempt malting barley farmers, while retaining their eligibility for price support, in the same manner as is provided in H.R. 4997 adopted by the House on April 25, 1963.

Thank you very much for the opportunity of testifying.

Senator HOLLAND. I have also been handed a statement by Mr. Brenham Crothers, president, Louisiana Cattlemen's Association, which he has asked to have inserted in the record. Is there objection?

The statement will be inserted in the record.

(The statement of Mr. Crothers referred to follows:)

STATEMENT OF BRENHAM CROTHERS, PRESIDENT, LOUISIANA CATTLEMEN'S ASSOCIATION, FERRIDAY, LA.

Mr. Chairman and members of the committee, I am Brenham Crothers, a beef cattle producer from near Ferriday, in Concordia Parish, La. My testimony today is on behalf of the Louisiana Cattlemen's Association, a voluntary, statewide organization of farmers and ranchers whose major interest is the encouragement and maintenance of a free and increasingly progressive beef cattle industry in Louisiana.

Our members are overwhelmingly of the opinion that the emergency feed grains legislation has been detrimental to the Louisiana livestock industry. We are equally convinced that enactment of H.R. 4997, the Feed Grains Act of 1963, will continue to retard our progress. We oppose this legislation on the basis of both principle and economics.

One of our major objections to H.R. 4997 is the implied, and often direct, authority granted the Secretary of Agriculture in determining the final price of the corn which we feed our animals. To a considerable degree, this legislation gives the Secretary authority to dictate which areas may increase livestock production, and which area will find it unprofitable to dedicate additional resources to increased production. I do not maintain that the Secretary will abuse his office by the exercise of this authority, but this is a responsibility no appointed official should be expected or authorized to assume.

To illustrate how the emergency feed grains legislation can and has worked to the detriment of the livestock industry, I use Louisiana as a case in point. With the committee's indulgence, I will use some illustrations involving both livestock and poultry production, since breakdown for beef cattle alone is not available, and there apparently has been a parallel cost situation.

While debate concerning this legislation was being conducted in the House recently, the press carried a number of statements to the effect that the emergency feed grains legislation—or at least the administration of this program—has contributed to the sizable drop in market prices for livestock as a result of manipulating supplies of Government-owned feed grains. We realize that drop in beef cattle and other livestock prices cannot be wholly attributed to the feed grains legislation, but it did play a part—and it has been just one aspect of the cost-price squeeze we have experienced in Louisiana.

We are a deficit-production area, and we purchase more than 85 percent of the corn we feed. In 1962, the Louisiana Crop Reporting Service put total Louisiana corn production at 6,200,000 bushels. The Louisiana State University Department of Agricultural Economics has just completed a 2-year survey which puts our total annual corn consumption between 50 million and 55 million bushels for feeding purposes. Conservatively, then, we imported 44 million bushels of corn in 1962—or using another measurement, our livestock and poultry producers had to import an average of 68 boxcars (1,000-bushel capacity) daily for feeding purposes.

The price at which we can purchase corn is therefore of prime importance. And while the low-priced corn available to many areas of the Nation was contributing to the break in livestock prices, the shortage of corn created in Louisiana by payments not to produce ran our prices sky high. For a considerable period this winter, the price for ungraded corn in Louisiana was in excess of \$1.50 a bushel, even in bulk. It has averaged at least \$1.40 a bushel for the past 6 months.

I submit that the beef cattle and other feed-using farm industries in Louisiana have paid out in higher prices much more than the relatively few participants have received during the past 2 years for diverting production. For example, a 15-cent increase in the price of corn per bushel would cost the feed users of Louisiana more than \$6.5 million annually—by contrast, total diversion payments for the years 1961 and 1962 to Louisiana feed grains producers were only a little more than \$5 million.

I would call particular attention to the fact that as of January 1, 1963, the number of cattle and calves on Louisiana farms totaled only 1,800,000 head, down 18,000 head from the previous year. A similar, and in most instances, even more marked, decline was registered in all the feed-grain using industries of Louisiana—dairy cattle, hogs, sheep, broilers, and turkeys. I hardly believe it is entirely coincidental that this decline has come about during the period the emergency feed grains legislation has sharply reduced available supplies. Some cheap corn was made available to so-called disaster areas in some areas of the State, but I'm proud to report that very few Louisiana farmers were willing to sign the pauper's oath required for eligibility in this giveaway, even though such action would have trimmed almost one-third off their cost of corn. It should be pointed out here that an unscrupulous Secretary of Agriculture, armed with the authority to furnish below-cost corn to various areas of the Nation, could significantly control the development or decline of the livestock industry in many regions. We in Louisiana believe such a situation has occurred during the past 2 years, whether intentionally or by virtue of poor administrative judgment.

The power to declare vast regions of this country as disaster areas, and thereby enable some preferred producers to reach into the vast surpluses held by the Government, would be a tremendous political weapon in the hands of any appointed official. At the whim of the officials exercising such authority, the political outlook of whole sections of this Nation could be influenced.

I would call the committee's attention to the substantial disparity in the distribution of the tax funds expended for diverting acres from feed grains production. The hearing record from the House Committee on Agriculture shows that nearly

\$1.7 billion has been expended in the first 2 years of the Emergency Feed Grains Act. As noted earlier, payments to Louisiana producers totaled slightly more than \$5 million, or one-third of 1 percent of the total funds. By contrast, a total of \$1.1 billion, or nearly 73 percent of the total, has gone to only nine States—Ohio, Indiana, Illinois, Minnesota, Iowa, Missouri, Nebraska, Kansas, and Texas. If Louisiana conditions can be considered as illustrative, it would appear that the beef cattle and other feed-using industries in 41 States are footing the bill for the other 9.

It is my opinion that too little has been said about the adverse effect of this feed grains legislation upon the general economy of those farming communities where there has been widespread participation in the diversion program. The farmer is only one segment of our overall economy, and he must recognize his responsibility to the general welfare of the many institutions which service and supply him. Idle land produces no wealth.

One of the basic questions confronting us today is whether the farmers of the United States shall look to the taxpayers of the Nation for part of their remuneration, or shall they place more dependence on the marketplace. If the dole now practiced in the present and proposed feed grains legislation is to be continued, and the farmer becomes even more complacent about Federal handouts as his dignity gradually erodes, will not he ultimately demand a gradual but continuous increase in Federal payments?

With the finances of this Nation strained as they are, is it not time to explore the necessity of lowering governmental costs? Too much of the vast sums appropriated in the name of the farmer cannot properly be charged to agriculture. The personnel of all agricultural agencies continues to climb rapidly, and storage and unnecessary transportation of the surpluses acquired also have consumed a large percentage of the appropriations. Is there any guarantee that this legislation will reduce any of these costs?

In Louisiana and most of the Southeast, cattlemen are also farmers. Having observed the disaster of the recent Federal program for our great cotton industry and at the same time enjoyed relative prosperity with their "unassisted" livestock production, it is easy to ascertain that farmers in general, and cattlemen everywhere, hope for the day when Federal farm programs will disappear—and the law of supply and demand will prevail.

The Louisiana Cattlemen's Association respectfully requests unfavorable consideration of H.R. 4997, the Feed Grains Act of 1963.

Senator HICKENLOOPER. Are there extra copies of that?

Senator HOLLAND. I have none.

Senator HICKENLOOPER. Could I have one, please, for my file?

Senator HOLLAND. Mr. Kendall has one for you.

I have been furnished two letters which I am asking to have incorporated in the record at this time, one from Mr. J. Paul Williams, executive secretary of the Virginia State Poultry Federation, Inc., dated May 2, addressed to Mr. Kendall of this committee's staff. As I understand from Mr. Kendall, the statement of Mr. Williams for his organization is to be filed tomorrow, Wednesday, is that correct?

Mr. KENDALL. Yes.

(The letter is as follows:)

VIRGINIA STATE POULTRY FEDERATION, INC.,
Richmond, Va., May 2, 1963.

Mr. JAMES M. KENDALL,
Committee on Agriculture and Forestry,
U.S. Senate, Washington, D.C.

DEAR MR. KENDALL: On behalf of the Virginia State Poultry Federation and the Virginia State Feed Association, I wish to request time to present the views of Virginia's poultry farmers and feed manufacturers on the feed grain bill at the hearing before the Senate Agriculture Committee.

Because of other pressing commitments, I will be unable to prepare testimony or to arrange for a representative of these organizations to testify before the latter part of next week.

The issues involved in this legislation are so far-reaching and of such critical importance to the future of our \$74, million poultry industry in Virginia as well as to our developing hog and cattle industries that we feel it is incumbent upon the Committee to explore thoroughly all the views, facts and possible ramifications of this bill before reporting it to the Senate floor.

Your courtesy in arranging a time for us to appear before the committee—preferably the latter part of next week or the following week—will be most sincerely appreciated.

Very truly yours,

J. PAUL WILLIAMS,
Executive Secretary.

Senator HOLLAND. The other letter is from Mr. Don M. Turnbull, executive secretary of the American Poultry and Hatchery Federation, dated May 3 to Mr. Mouser, chief clerk of the staff of this committee, advising that the American Poultry and Hatchery Federation will file a statement.

It does not wish to have witnesses personally present.
(The letter is as follows:)

AMERICAN POULTRY & HATCHERY FEDERATION,
Kansas City, Mo., May 3, 1963.

*Mr. Cotys M. Mouser,
Chief Clerk, Senate Committee on Agriculture and Forestry,
U.S. Senate, Washington, D.C.*

DEAR MR. MOUSER: This is to advise that the American Poultry & Hatchery Federation will file a statement but will not have any witnesses present to testify on the feed grain hearings scheduled for May 3, 6, 7 and 8.

Sincerely,

DON M. TURNBULL,
Executive Secretary.

Senator HOLLAND. When will that statement be filed?

Mr. Kendall advises me that Mr. Turnbull has been requested to have his statement in by tomorrow if possible. If it comes in in timely fashion, it will be included in the record.

Senator HICKENLOOPER. Mr. Chairman, I guess this statement will go into the record. I just noticed the statement of the Louisiana Cattlemen's Association filed here by Mr. Crothers. He says in a very significant paragraph:

Our members are overwhelmingly of the opinion that the emergency feed grains legislation has been detrimental to the Louisiana livestock industry. We are equally convinced that enactment of H.R. 4997, the Feed Grains Act of 1963, will continue to retard our progress. We oppose this legislation on the basis of both principle and economics.

Senator HOLLAND. The statement will appear in the record and, of course, if anyone wishes to expand upon it or any provision of it, they will have every right to do so.

Are there other witnesses to be heard?

Now, I have been handed a note from Senator Ellender asking that the committee stand in recess until Thursday. I assume at 10 o'clock.

Mr. MOUSER. Presumably, yes. The notices will go out tomorrow.

Senator HOLLAND. The note does not say so.

We will stand in recess until Thursday, notice to be sent out in the meantime fixing the hour on Thursday when the committee will meet in executive session. I make that announcement—

Senator HICKENLOOPER. I was going to say 10 o'clock cuts us a little short. I wonder if 10:30 would be all right.

Senator HOLLAND. I hope Senator Ellender will be advised that Senator Hickenlooper suggests 10:30.

Senator HICKENLOOPER. I don't care unless other members—10 o'clock is slightly early.

Senator HOLLAND. You understand I am simply making the announcement I was requested to make.

Senator HICKENLOOPER. Yes, I know.

Senator HOLLAND. If there are no further witnesses, the committee will stand in recess until Thursday pursuant to call by the Chair.

(Whereupon, at 3:20 p.m., the committee was recessed until Thursday, May 9, 1963, pursuant to call by the Chair.)

(Additional statements filed for the record are as follows:)

VIRGINIA STATE POULTRY FEDERATION, INC.,
Richmond, Va., May 7, 1963.

Mr. JAMES M. KENDALL,
Clerk, Committee on Agriculture and Forestry,
U.S. Senate, Washington, D.C.

DEAR MR. KENDALL: As indicated to you in my earlier letter and in our telephone conversation, I have not found it possible to prepare testimony on the feed grain bill now being considered by the Senate Committee on Agriculture and Forestry in time to meet the committee's May 8 deadline.

In lieu of this, I am enclosing a copy of a resolution adopted by the Virginia State Feed Association at its annual meeting in Roanoke on February 19, 1963, in which the association membership unanimously reaffirmed its opposition to this type of legislation.

I will appreciate your bringing this to the attention of the committee and obtaining permission to have this resolution entered in the record of the hearings on this bill.

Sincerely yours,

J. PAUL WILLIAMS,
Executive Secretary.

The following resolution was adopted by unanimous vote at the 18th annual convention of the Virginia State Feed Association in Roanoke, Va., February 19, 1963:

Whereas the Federal Government is again preparing legislation designed to reduce feed grain acreage and to further increase the cost of feed grains at taxpayers' expense; and

Whereas Virginia is a deficit grain-producing State and is in great need of expanding its grain production to supply the present needs of its poultry and livestock industries; and

Whereas a larger supply of grain at competitive prices is absolutely essential to the well-being and to the future growth of these much-needed agricultural industries in Virginia; and be it

Resolved, That the Virginia State Feed Association urge the State's congressional delegation to oppose with all their vigor the continuance of the present feed grain programs or the adoption of other legislation which will have the effect of further reducing the feed grain acreage in Virginia; and be it further

Resolved, That the Federal Government be prohibited by law from continuing indefinitely to compete with private industry in the distribution of grains and other agricultural products in domestic and world markets, which results in a double loss to the American public; that is, the selling of these products at a loss to the taxpayer and the loss of huge sums in tax dollars that would be paid by private industry on the income from the sales now denied to it by Government competition.

STATEMENT FILED BY FRED V. HEINKEL, PRESIDENT, MISSOURI FARMERS ASSOCIATION, COLUMBIA, MO.

Mr. Chairman and members of the committee, I regret that prior commitments make it impossible for me to appear personally before you this week in support of H.R. 4997. However, with your permission, I am submitting the following statement for your consideration.

As president of the Missouri Farmers Association, I wish to support the Feed Grains Act of 1963, known as H.R. 4997. This bill will provide for the continuation of a voluntary feed grains program for 1964 and 1965 very similar to that in effect for 1963.

I take particular pride in supporting this legislation, since I have had the pleasure and responsibility of serving as the chairman of the National Feed Grains Advisory Committee since its inception. This committee, Mr. Chairman, is composed of capable and practical persons whose farming experience qualifies them to make truly worthwhile recommendations on legislation to benefit farmers and the public.

We met in Washington in December 1962 and recommended to Secretary Freeman that, based on farmers' acceptance of the 1961 and 1962 feed grains program, coupled with the very desirable results being attained, legislation should be enacted to continue this program.

In early 1961 Secretary Freeman appointed the original Feed Grains Committee, of which I served as Chairman. We met for only a day and a half, and by unanimous vote recommended to you the principles contained in the Emergency Feed Grains Act of 1961. Within 60 days you had enacted these recommendations into law. This program met with farmers' acceptance, as evidenced by the fact that although Missouri is commonly known as the Show Me State, 82,698 feed grain farmers (nearly 60 percent of the total) signed up to participate.

Net results nationwide were similar, and along with some increases in soybeans and dairy supports, resulted in \$1 billion increase in net income to farmers. At the same time, the surplus carryover of feed grains was reduced from 85 to 71 million tons, which resulted in reduced costs to the Federal Government for storage and handling of the surplus in these commodities.

In 1962 our committee recommended extension of the 1961 act for another year. Your committee and the National Congress accepted this recommendation. The results were almost identical in Missouri: 82,772 signed their intentions to participate—a slight increase. Those participating maintained their income as in 1961, while at the same time the surplus feed grains carryover was further reduced. It should be down to approximately 61 million tons by October 1, 1963. Again, there is the corresponding reduction in storage and handling costs to the Federal Government.

The 1963 feed grains program, which was adopted in the waning hours of the 87th Congress, is similar in principle to the 1961 and 1962 programs, except for the inclusion of compensatory payments. The feed grains problem, which was a tremendous burden to farmers and the Federal Government only 3 short years ago, is now near a solution. This legislation will enable us to maintain a position that will benefit farmers, consumers, and the general public. This will reduce the tremendous waste of our resources, human and material, in producing these agricultural products. As I have pointed out to you before in previous testimony, it is virtually impossible for farmers acting alone and as individuals to accomplish this worthy objective.

Taxpayers, likewise, benefit from this successful program through the reduction in storage costs of over \$1 billion a year.

This committee and others of us who had a part in developing the program are justified in feeling proud of this record of accomplishment as it reflects our efforts to help the farmer and the taxpayer.

Without the enactment of this legislation you are now considering, there will be no authority for a diversion program for feed grains after 1963.

In Missouri 144,000 wheat farmers who are eligible to vote in the wheat referendum on May 21, 1963, need to have the assurance that a feed grains program is in effect to complement the wheat program and to permit the diversion of wheat acreage to feed grain acreage as long as it does not exceed either the wheat or feed grains allotted acreage. Thus it is highly important that the feed grains program be adopted prior to the wheat referendum on May 21, 1963.

In conclusion, the feed grains program during the past 3 years has actually served to rescue thousands of farmers from financial chaos by improving net farm income, bringing supply more in line with actual needs and materially reducing the cost to the Federal Government.

If these programs are not continued, we will revert to an unworkable, unrealistic price support program, which will induce unlimited production and disastrously low prices, resulting in a drastic reduction in farm income which farmers cannot afford to accept.

With the enactment of H.R. 4997 into law, coupled with an effective supply management program for wheat, we will have a sound and stable agriculture. I sincerely urge this committee to act promptly with your vote favoring this worthwhile and necessary legislation.

I appreciate the opportunity to present this statement on behalf of the 160,000 members of the Missouri Farmers Association.

STATEMENT FILED BY THERON J. RICE, MANAGER, LEGISLATIVE ACTION,
CHAMBER OF COMMERCE OF THE UNITED STATES

On behalf of the national chamber's members, we appreciate this opportunity to express our opposition to H.R. 4997, entitled the "Feed Grain Act of 1963."

This bill's provisions are an extension and a loose and sweeping expansion of recent and existing legislation on feed grains.

Our objections and opposition are based on two important aspects.

The first is that it would continue a very costly program which has achieved results not in keeping with its great cost to the taxpayer.

The second reason for our opposition is that it makes broad delegations of authority to the Secretary of Agriculture which we believe are not in the best interests of farmers or the public. Some of the delegations appear to us so sweeping as to constitute an abdication of congressional authority and responsibility if they were to be approved and passed by the Congress.

COSTS, RESULTS, AND INCOME EFFECTS

The diversion of feed grain acreages, which this bill would extend, is, of course, aimed at reducing feed grain production and shrinking existing stocks, especially those stocks in Government hands involving costs for storage and handling.

On the basis of 2 crop years of operation, 1961 and 1962, the net reduction in the output for 1962 from 1960 for corn, barley, and grain sorghums was 379 million bushels. The cost of the diversion program for 1961 and 1962 has been \$1,695 million. Measured in this way, it could be said that each bushel of feed grain reduction cost \$4.48.

But taking into consideration the reduction of 415 million bushels of the three grains in Commodity Credit Corporation stocks and loans between February 28, 1961, and February 28, 1963, a total reduction of production and Government stocks for the 2-year period totals 794 million bushels. Measured against the costs of the programs for the 2 years, the cost per bushel of total reduction of both is \$2.13. This is, in our judgment, an inordinately high cost operation.

Moreover, the costs of the program equaled more than 34 percent of the total cash receipts from the sale of the three grains by farmers in 1961. In 1962, the figure was more than 36 percent.

Assuming a ratio of 22 percent to 23 percent for net operator income to the value of cash sales of the three grains, the direct diversion payments to participating producers equaled for the 2 years \$1.50 for each \$1 of such net cash income.

The magnitude of income effects of the diversion payments is shown by the fact that in 1960 Government payments were 9 percent of net operator cash income from farming. For 1961, this rose to 18 percent, and for 1962, Government payments constituted 25 percent.

AUTHORITY DELEGATED

We oppose the sweeping delegation of power and authority to the Secretary of Agriculture specified or implicit in the bill H.R. 4997. Under it a Secretary would have the power to set on a broad scale the size and scope of feed production in the Nation. He would be empowered to decide when the supply of feed grains would be likely to be excessive, and based on that decision formulate and carry out an acreage diversion program. No guidelines for the definition of an excessive supply are given in the bill, other than the Secretary's determination. He is empowered to establish an acreage reduction goal. Thus, it is left to the Secretary whether or not there is to be an acreage diversion program.

The Secretary is further delegated the power to prescribe the extent to which a producer must participate in any diversion program in order to be eligible for

any price supports. The bill provides little or no guidance to the Secretary. It simply provides that he shall determine the terms and conditions that he thinks are fair and reasonable under which diversion payments shall be made. The bill provides a ceiling on the rate of payments but gives no indication of guidelines for minimum rates.

Similarly, there are no limits on what the Secretary may do with respect to the proportion of price support benefits he may pay directly to participants as payments. The bill does supply a formula for determining the acreage and bushelage basis for payments in kind, but the Secretary would be free under the bill to bestow all the price support benefits as payments, or none at all, should he so decide. There might appear to be an upper limit to the total extent to which he could make payments in kind (the limit being the amount of commodities under Government control). But the bill requires the Commodity Credit Corporation to assist the participant in marketing the certificates in accordance with rules which the Secretary is to prescribe. It also would authorize the Secretary, by his own terms and conditions, to make conservation payments in addition to the payments in kind for participation in the diversion program. Thus there is no effective limitation on the proportion of the program he could carry out by payments.

The bill would authorize the Secretary to set the price support anywhere between 65 and 90 percent of parity under an acreage diversion program. Again, there are no guidelines other than whatever level he thinks necessary to achieve the reduction goal which he is empowered to establish. Moreover, under the payments in kind provisions he would also have the power to make the support price the ceiling price. He would have the power to manipulate the payments in kind program on sufficiently broad scale so that redemptions of certificates would keep feed grain prices no higher than the support level (plus reasonable carrying charges if there were any such).

We object strenuously to sweeping delegations of this kind. They place into the hands of a Secretary of Agriculture power to devastate and eventually destroy free independent farmers and marketing agencies.

Given the power to define excess supply and thereupon establish an acreage reduction goal, to set the price support levels and ceiling price for feed grains, a Secretary of Agriculture could then establish the production and marketing of such commodities as a completely Government-run monopoly.

This would be government by men, not by law.

In the faith that this committee and Congress will not countenance such dangers, we petition and urge this committee to reject H.R. 4997.



TABLE AND SUMMARY OF H. R. 4997

| | |
|---------------|---|
| Feb. 18, 1963 | Rep. Fudge introduced H. R. 4997 which was referred to the House Agriculture Committee. Title of bill. |
| Mar. 14, 1963 | Rep. Olson, Minn., introduced H. R. 4997 which was referred to House Agriculture Committee. Title of bill. |
| Mar. 19, 1963 | Rep. Fudge introduced H. R. 4997 which was referred to House Agriculture Committee. Title of bill. |
| Mar. 19, 1963 | Rep. Fudge introduced H. R. 4997 which was referred to the Public Law 88-26 H. R. 4997 |
| Mar. 24, 1963 | House committee voted to report H. R. 4997. |
| Apr. 2, 1963 | House Agriculture Committee reported H. R. 4997 with amendments. H. Report No. 175. Title of bill and report. |
| Apr. 8, 1963 | Summary of House committee report. |
| Apr. 15, 1963 | Senate Committee reported a companion bill for consideration of H. R. 4997. S. Rep. No. 175. Title of bill. |
| Apr. 25, 1963 | Senate passed H. R. 4997 with amendments. |
| Apr. 30, 1963 | H. R. 4997 was referred to the House Agriculture and Forestry Committee. Title of bill and report. |
| May 7, 1963 | Senate committee reported H. R. 4997 with amendments. S. Report No. 175. Title of bill and report. |
| May 13, 1963 | Senate began debate on H. R. 4997. |
| May 14, 1963 | Senate continued debate on H. R. 4997. |
| May 15, 1963 | Senate continued debate on H. R. 4997. |
| May 16, 1963 | Senate passed H. R. 4997 without amendments. |
| May 20, 1963 | Approved: Public Law 88-26. |

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H. R. 4327
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INDEX AND SUMMARY OF H. R. 4997

Feb. 18, 1963 Rep. Poage introduced H. R. 3874 which was referred to the House Agriculture Committee. Print of bill.

Mar. 14, 1963 Rep. Olsen, Minn., introduced H. R. 4895 which was referred to House Agriculture Committee. Print of bill.

Rep. Poage introduced H. R. 4898 which was referred to House Agriculture Committee. Print of bill.

Mar. 19, 1963 Rep. Poage introduced H. R. 4997 which was referred to the House Agriculture Committee. Print of bill.

Mar. 28, 1963 House subcommittee voted to report H. R. 4997.

Apr. 2, 1963 House Agriculture Committee reported H. R. 4997 with amendments. H. Report No. 180. Print of bill and report.

Apr. 8, 1963 Summary of House committee report.

Apr. 11, 1963 Rules Committee reported a resolution for the consideration of H. R. 4997. H. Res. 320 and H. Report No. 214. Print of resolution and report.

Apr. 25, 1963 House passed H. R. 4997 with amendments.

Apr. 30, 1963 H. R. 4997 was referred to the Senate Agriculture and Forestry Committee. Print of bill as referred.

May 9, 1963 Senate committee reported H. R. 4997 without amendment. S. Report No. 172. Print of bill and report.

May 13, 1963 Senate began debate on H. R. 4997.

May 14, 1963 Senate continued debate on H. R. 4997.

May 15, 1963 Senate continued debate on H. R. 4997.

May 16, 1963 Senate passed H. R. 4997 without amendment.

May 20, 1963 Approved: Public Law 88-26.

Hearings: House Agriculture Committee on H. R. 3874.

Senate Agriculture and Forestry Committee on H. R. 4997.

INDEX AND SUMMARY OF H. R. 1097

| | |
|---------------|---|
| Feb. 18, 1903 | Rep. Poage introduced H. R. 1097 which was referred to the House Agriculture Committee. Title of bill. |
| Mar. 11, 1903 | Rep. Mann, Minn., introduced H. R. 1097 which was referred to House Agriculture Committee. Title of bill. |
| | Rep. Poage introduced H. R. 1097 which was referred to House Agriculture Committee. Title of bill. |
| Mar. 19, 1903 | Rep. Poage introduced H. R. 1097 which was referred to the House Agriculture Committee. Title of bill. |
| Mar. 26, 1903 | House Subcommittee voted to report H. R. 1097. |
| Apr. 2, 1903 | House Agriculture Committee reported H. R. 1097 with amendments. H. Report No. 100. Title of bill and report. |
| Apr. 8, 1903 | Summary of House committee report. |
| Apr. 11, 1903 | Rules Committee reported a resolution in the consideration of H. R. 1097. H. Res. 100 was adopted. No. 100. Title of resolution and report. |
| Apr. 22, 1903 | House passed H. R. 1097 with amendments. |
| Apr. 30, 1903 | H. R. 1097 was referred to the Senate Agriculture and Forestry Committee. Title of bill as amended. |
| May 9, 1903 | Senate committee reported H. R. 1097 without amendments. S. Report No. 117. Title of bill and report. |
| May 12, 1903 | Senate began debate on H. R. 1097. |
| May 14, 1903 | Senate continued debate on H. R. 1097. |
| May 15, 1903 | Senate continued debate on H. R. 1097. |
| May 16, 1903 | Senate passed H. R. 1097 without amendments. |
| May 20, 1903 | Approved: White Jan 22-03. |

Referred to: House Agriculture Committee on Feb. 18, 1903.

2871.

Senate Agriculture and Forestry Committee on May 9, 1903.

88TH CONGRESS
1ST SESSION

H. R. 3874

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 18, 1963

Mr. POAGE introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To extend the feed grain program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Feed Grain Act of 1963."

4 SEC. 2. Section 105 of the Agricultural Act of 1949, as
5 amended, is amended—

6 (1) by changing the period at the end of subsec-
7 tion (a) to a colon and adding the following: "*Provided,*
8 That in the case of any crop for which an acreage diver-
9 sion program is in effect for feed grains, the level of
10 price support for corn of such crop shall be at such level
11 not less than 65 per centum or more than 90 per centum

1 of the parity price therefor as the Secretary determines
2 necessary to achieve the acreage reduction goal estab-
3 lished by him for the crop.”

4 (2) by adding the following new subsection (d) :

5 “(d) The provisions of this subsection shall be applica-
6 ble with respect to any crop of feed grains for which an
7 acreage diversion program is in effect under section 16(h)
8 of the Soil Conservation and Domestic Allotment Act, as
9 amended. The Secretary shall require as a condition of
10 eligibility for price support on the crop of any feed grain
11 which is included in the acreage diversion program that the
12 producer shall participate in the diversion program to the
13 extent prescribed by the Secretary, and, if no diversion pro-
14 gram is in effect, he may require as a condition of eligibility
15 for price support on any crop of feed grains that the pro-
16 ducer shall not exceed his feed grain base. Such portion of
17 the support price for any feed grain included in the acreage
18 diversion program as the Secretary determines desirable to
19 assure that the benefits of the price support and diversion
20 programs inure primarily to those producers who cooperate
21 in reducing their acreages of feed grains shall be made avail-
22 able to producers through payments in kind. Such payments
23 in kind shall be made on the number of bushels of such feed
24 grain determined by multiplying the actual acreage of such
25 feed grain planted on the farm for harvest by the adjusted

1 average yield per acre. The base period used in determining
2 such adjusted average yield shall be the same as that used
3 for purposes of the acreage diversion program formulated
4 under section 16 (h) of the Soil Conservation and Domestic
5 Allotment Act, as amended. The Secretary may make not
6 to exceed 50 per centum of any payments hereunder to
7 producers in advance of determination of performance. Such
8 payments in kind shall be made through the issuance of
9 negotiable certificates which the Commodity Credit Corpora-
10 tion shall redeem for feed grains (such feed grains to be
11 valued by the Secretary at not less than the current support
12 price minus that part of the current support price made
13 available through payments in kind, plus reasonable carrying
14 charges) and, notwithstanding any other provision of law,
15 the Commodity Credit Corporation shall, in accordance with
16 regulations prescribed by the Secretary, assist the producer
17 in the marketing of such certificates. In the case of any
18 certificate not presented for redemption within thirty days of
19 the date of its issuance, reasonable costs of storage and other
20 carrying charges, as determined by the Secretary, for the
21 period beginning thirty days after its issuance and ending
22 with the date of its presentation for redemption shall be
23 deducted from the value of the certificate. The Secretary
24 shall provide for the sharing of such certificates among the
25 producers on the farm on the basis of their respective shares

1 in the crop produced on the farm with respect to which such
2 certificates are issued, or the proceeds therefrom. If the
3 operator of the farm elects to participate in the acreage diver-
4 sion program, price support for feed grains included in the
5 program shall be made available to the producers on such
6 farm only if such producers divert from the production of
7 such feed grains in accordance with the provisions of such
8 program an acreage on the farm equal to the number of
9 acres which such operator agrees to divert, and the agree-
10 ment shall so provide.”

11 SEC. 3. Section 16 of the Soil Conservation and Domes-
12 tic Allotment Act, as amended, is amended by adding the
13 following new subsection:

14 “(h) Notwithstanding any other provision of law—

15 “(1) Beginning with the 1964 crop, if the Secre-
16 tary determines that the total supply of feed grains will,
17 in the absence of an acreage diversion program, likely
18 be excessive, taking into account the need for an ade-
19 quate carryover to maintain reasonable and stable sup-
20 plies and prices of feed grains and to meet any national
21 emergency, he may formulate and carry out an acreage
22 diversion program for feed grains, without regard to
23 provisions which would be applicable to the regular
24 agricultural conservation program, under which, subject
25 to such terms and conditions as the Secretary determines,

1 conservation payments in amounts determined by the
2 Secretary to be fair and reasonable shall be made to
3 producers who divert acreage from the production of
4 feed grains to an approved conservation use and in-
5 crease their average acreage of cropland devoted in
6 1959 and 1960 to designated soil-conserving crops or
7 practices including summer fallow and idle land by an
8 equal amount. Payments shall not be made in amounts
9 in excess of 50 per centum of the estimated basic county
10 support rate, including that part of the support price
11 made available through payments in kind, on the normal
12 production of the acreage diverted from the commodity
13 on the farm based on its adjusted average yield per
14 acre. Notwithstanding the foregoing provisions, the
15 Secretary may permit such diverted acreage to be de-
16 voted to the production of guar, sesame, safflower, sun-
17 flower, castor beans, and flax, if he determines that
18 such crops are not in surplus supply and will not be in
19 surplus supply if permitted to be grown on the diverted
20 acreage, subject to the condition that payment with re-
21 spect to diverted acreage devoted to any such crop shall
22 be at a rate determined by the Secretary to be fair and
23 reasonable, taking into consideration the use of such
24 acreage for the production of such crops, but in no
25 event shall the payment exceed one-half the rate which

1 would otherwise be applicable if such acreage were de-
2 voted to conservation uses, and no price support shall
3 be made available for the production of any such crop
4 on such diverted acreage. The base period for the pur-
5 pose of determining the adjusted average yield in the
6 case of payments with respect to the 1964 crop shall
7 be the four-year period 1959-1962, and in the case of
8 payments with respect to any subsequent crop shall
9 be the most recent five-year period determined by the
10 Secretary to be representative for which statistics are
11 available. The term 'feed grains' means corn, grain
12 sorghums, barley, and, if designated by the Secretary,
13 oats and rye. Such feed grain diversion program shall
14 require the producer to take such measures as the Sec-
15 retary may deem appropriate to keep such diverted
16 acreage free from erosion, insects, weeds, and rodents.
17 The acreage eligible for participation in the program
18 shall be such acreage (not to exceed 50 per centum
19 of the average acreage on the farm devoted to feed
20 grains in the crop years 1959 and 1960 or twenty-five
21 acres, whichever is greater) as the Secretary deter-
22 mines necessary to achieve the acreage reduction goal
23 for the crop. Payments may be made in cash or kind.
24 The average acreage of wheat produced on the farm
25 during the crop years 1959, 1960, and 1961, pursuant

1 to the exemption provided in section 335 (f) of the
2 Agricultural Adjustment Act of 1938, prior to its repeal
3 by the Food and Agriculture Act of 1962, in excess
4 of the small farm base acreage for wheat established
5 under section 335 of the Agricultural Adjustment Act
6 of 1938, as amended, shall be considered as an acreage
7 of feed grains produced in the crop years 1959 and
8 1960 for purposes of establishing the feed grain base
9 acreage for the farm, and the rate of payment for di-
10 verting such wheat shall be an amount determined by
11 the Secretary to be fair and reasonable in relation to
12 the rates of payment for diverting feed grains. The
13 Secretary may make such adjustments in acreage and
14 yields as he determines necessary to correct for abnormal
15 factors affecting production, and to give due considera-
16 tion to tillable acreage, crop-rotation practices, types
17 of soil, soil and water conservation measures, and topog-
18 raphy. To the extent that a producer proves the actual
19 acreages and yields for the farm, such acreages and
20 yields shall be used in making determinations. The
21 Secretary may make not to exceed 50 per centum of
22 any payments to producers in advance of determination
23 of performance.

24 “(2) There are hereby authorized to be appro-
25 priated such amounts as may be necessary to enable the

1 Secretary to carry out this section 16 (h). Obligations
2 may be incurred in advance of appropriations therefor
3 and the Commodity Credit Corporation is authorized to
4 advance from its capital funds such sums as may be
5 necessary to pay administrative expenses in connection
6 with such program during the fiscal year ending June
7 30, 1964, and to pay such costs as may be incurred in
8 carrying out paragraph (4) of this subsection.

9 “(3) The Secretary shall provide by regulations
10 for the sharing of payments under this subsection among
11 producers on the farm on a fair and equitable basis and
12 in keeping with existing contracts.

13 “(4) Payments in cash shall be made by Com-
14 modity Credit Corporation and payments in kind shall
15 be made through the issuance of negotiable certificates
16 which the Commodity Credit Corporation shall redeem
17 for feed grains and, notwithstanding any other provision
18 of law, the Commodity Credit Corporation shall, in ac-
19 cordance with regulations prescribed by the Secretary,
20 assist the producer in the marketing of such certificates.
21 In the case of any certificate not presented for redemp-
22 tion within thirty days of the date of its issuance, reason-
23 able costs of storage and other carrying charges, as
24 determined by the Secretary, for the period beginning
25 thirty days after its issuance and ending with the date

1 of its presentation for redemption shall be deducted from
2 the value of the certificate. Feed grains with which
3 Commodity Credit Corporation redeems certificates pur-
4 suant to this paragraph shall be valued at not less than
5 the current support price, minus that part of the current
6 support price made available through payments in kind,
7 plus reasonable carrying charges.

8 “(5) Notwithstanding any other provision of law,
9 the Secretary may, by mutual agreement with the pro-
10 ducer, terminate or modify any agreement previously
11 entered into pursuant to this subsection if he determines
14 such action necessary because of an emergency created
15 by drought or other disaster, or in order to prevent or
16 alleviate a shortage in the supply of feed grains.”

88TH CONGRESS
1ST SESSION

H. R. 3874

A BILL

To extend the feed grain program.

By Mr. POAGE

FEBRUARY 18, 1963

Referred to the Committee on Agriculture

88TH CONGRESS
1ST SESSION

H. R. 4895

IN THE HOUSE OF REPRESENTATIVES

MARCH 14, 1963

Mr. OLSON of Minnesota introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To extend the feed grain program under terms which will give assurance of a fair price to farmers.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Feed Grain Act of 1963".

4 SEC. 2. (a) Section 105 (a) of the Agricultural Act of
5 1949 is amended to read as follows:

6 "SEC. 105. (a) Notwithstanding the provisions of sec-
7 tion 101 of this Act, beginning with the 1964 crop, price
8 support shall be made available to producers for each crop
9 for corn at not less than 90 per centum of the parity price
10 thereof, except that no price support shall be made available

1 to any producer for any crop of corn (or under subsection
2 (b) for any crop of any feed grain) if the producer—

3 “(1) exceeds his feed grain base established for
4 purposes of section 16 (h) of the Soil Conservation and
5 Domestic Allotment Act; and

6 “(2) declines to participate in an acreage diver-
7 sion program in effect for feed grain under such section
8 16 (h).”

9 (b) Section 105 of such Act is further amended by add-
10 ing at end thereof the following new subsection:

11 “(d) The provisions of this subsection shall be appli-
12 cable with respect to any crop of feed grains for which an
13 acreage diversion program is in effect under section 16 (h)
14 of the Soil Conservation and Domestic Allotment Act as
15 amended. Such portion of the support price for any feed
16 grain included in the acreage diversion program as the Sec-
17 retary determines desirable to assure that the benefits of the
18 price support and diversion programs inure primarily to
19 those producers who cooperate in reducing their acreages of
20 feed grains shall be made available to producers through pay-
21 ments, including payments in kind. Such payments shall
22 be made on the number of bushels of such feed grain deter-
23 mined by multiplying the actual acreage of such feed grain
24 planted on the farm for harvest by the adjusted average yield
25 per acre. The base period used in determining such ad-

1 justed average yield shall be the same as that used for pur-
2 poses of the acreage diversion program formulated under
3 section 16(h) of the Soil Conservation and Domestic Al-
4 lotment Act, as amended. The Secretary may make not to
5 exceed 50 per centum of any payments hereunder to pro-
6 ducers in advance of determination of performance. Pay-
7 ments in kind shall be made through the issuance of negoti-
8 able certificates which the Commodity Credit Corporation
9 shall redeem for feed grains (such feed grains to be valued
10 by the Secretary at not less than the current support price
11 minus that part of the current support price made available
12 through payments, plus reasonable carrying charges) and,
13 notwithstanding any other provision of law, the Commodity
14 Credit Corporation shall, in accordance with regulations pre-
15 scribed by the Secretary, assist the producer in the market-
16 ing of such certificates. In the case of any certificate not
17 presented for redemption within thirty days of the date of
18 its issuance, reasonable costs of storage and other carrying
19 charges, as determined by the Secretary, for the period be-
20 ginning thirty days after its issuance and ending with the
21 date of its presentation for redemption shall be deducted
22 from the value of the certificate. The Secretary shall pro-
23 vide for the sharing of such certificates or of payments among
24 the producers on the farm on the basis of their respective
25 shares in the crop produced on the farm with respect to which

1 such certificates are issued or such payments are made, or
2 for the sharing of the proceeds from such certificates on the
3 same basis. If the operator of the farm elects to participate
4 in the acreage diversion program, price support for feed
5 grains included in the program shall be made available to
6 the producers on such farm only if such producers divert
7 from the production of such feed grains in accordance with
8 the provisions of such program an acreage on the farm
9 equal to the number of acres which such operator agrees
10 to divert, and the agreement shall so provide.”

11 SEC. 3. Section 16 of the Soil Conservation and Domes-
12 tic Allotment Act, as amended, is amended by adding the
13 following new subsection:

14 “(h) Notwithstanding any other provision of law—
15 “(1) Beginning with the 1964 crop, if the Secre-
16 tary determines that the total supply of feed grains will,
17 in the absence of an acreage diversion program, likely
18 be excessive, taking into account the need for an ade-
19 quate carryover to maintain reasonable and stable
20 supplies and prices of feed grains and to meet any
21 national emergency, he may formulate and carry out an
22 acreage diversion program for feed grains, without
23 regard to provisions which would be applicable to the
24 regular agricultural conservation program, under which,
25 subject to such terms and conditions as the Secretary

determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of feed grains to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conserving crops or practices including summer fallow and idle land by an equal amount. Payments shall not be made in amounts in excess of 50 per centum of the estimated basic county support rate, including that part of the support price made available through payments in kind, on the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre. Notwithstanding the foregoing provisions, the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, and flax, if he determines that such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage subject to the condition no payments shall be made with respect to diverted acreage devoted to any such crop. The base period for the purpose of determining the adjusted average yield in the case of payments with respect to the 1964 crop shall be the

1 four-year period 1959–1962, and in the case of pay-
2 ments with respect to any subsequent crop shall be the
3 most recent five-year period determined by the Secretary
4 to be representative for which statistics are available.
5 The term ‘feed grains’ means corn, grain sorghums,
6 barley, and if for any crop the producer so requests
7 for purposes of having acreage devoted to the produc-
8 tion of wheat considered as devoted to the production of
9 feed grains, pursuant to the provisions of section 328 of
10 the Food and Agriculture Act of 1962, the term ‘feed
11 grains’ shall include oats and rye: *Provided*, That acre-
12 ages of corn, grain sorghums and barley shall not be
13 planted in lieu of acreages of oats and rye: *And provided*
14 *further*, That the acreage devoted to the production of
15 wheat shall not be considered as an acreage of feed
16 grains for purposes of establishing the feed grain base
17 acreage for the farm for subsequent crops. Such feed
18 grain diversion program shall require the producer to
19 take such measures as the Secretary may deem appro-
20 priate to keep such diverted acreage free from erosion,
21 insects, weeds, and rodents. The acreage eligible for
22 participation in the program shall be such acreage (not
23 to exceed 50 per centum of the average acreage on the
24 farm devoted to feed grains in the crop years 1959 and

1 1960 or twenty-five acres, whichever is greater) as the
2 Secretary determines necessary to achieve the acreage
3 reduction goal for the crop. Payments may be made in
4 cash or kind. The average acreage of wheat produced
5 on the farm during the crop years 1959, 1960, and 1961,
6 pursuant to the exemption provided in section 335 (f)
7 of the Agricultural Adjustment Act of 1938, prior to its
8 repeal by the Food and Agriculture Act of 1962, in
9 excess of the small farm base acreage for wheat estab-
10 lished under section 335 of the Agricultural Adjustment
11 Act of 1938, as amended, shall be considered as an
12 acreage of feed grains produced in the crop years 1959
13 and 1960 for purposes of establishing the feed grain
14 base acreage for the farm, and the rate of payment for
15 diverting such wheat shall be an amount determined by
16 the Secretary to be fair and reasonable in relation to the
17 rates of payment for diverting feed grains. The Secre-
18 tary may make such adjustments in acreage and yields
19 as he determines necessary to correct for abnormal
20 factors affecting production, and to give due considera-
21 tion to tillable acreage, crop-rotation practices, types
22 of soil, soil and water conservation measures, and topog-
23 raphy. To the extent that a producer proves the actual
24 acreages and yields for the farm, such acreages and

1 yields shall be used in making determinations. The
2 Secretary may make not to exceed 50 per centum of any
3 payments to producers in advance of determination of
4 performance.

5 “(2) Notwithstanding any other provision of this
6 subsection, not to exceed 1 per centum of the estimated
7 total feed grain bases for all farms in a State for any
8 year may be reserved from the feed grain bases estab-
9 lished for farms in the State for apportionment to farms
10 on which there were no acreages devoted to feed grains
11 in the crop years 1959 and 1960 on the basis of the
12 following factors: Suitability of the land for the pro-
13 duction of feed grains, the past experience of the farm
14 operator in the production of feed grains, the extent
15 to which the farm operator is dependent on income from
16 farming for his livelihood, the production of feed grains
17 on other farms owned, operated, or controlled by the
18 farm operator, and such other factors as the Secretary
19 determines should be considered for the purpose of es-
20 tablishing fair and equitable feed grain bases. An acre-
21 age equal to the feed grain base so established for each
22 farm shall be deemed to have been devoted to feed grains
23 on the farm in each of the crop years 1959 and 1960
24 for purposes of this subsection except that producers
25 on such farm shall not be eligible for conservation pay-

ments for the first year for which the feed grain base is established.

“(3) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(h). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1964, and to pay such costs as may be incurred in carrying out paragraph (5) of this subsection.

“(4) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

“(5) Payments in cash shall be made by the Commodity Credit Corporation and payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemp-

1 tion within thirty days of the date of its issuance, reason-
2 able costs of storage and other carrying charges, as
3 determined by the Secretary, for the period beginning
4 thirty days after its issuance and ending with the date
5 of its presentation for redemption shall be deducted from
6 the value of the certificate. Feed grains with which the
7 Commodity Credit Corporation redeems certificates pur-
8 suant to this paragraph shall be valued at not less than
9 the current support price, minus that part of the current
10 support price made available through payments in kind,
11 plus reasonable carrying charges.

12 “(6) Notwithstanding any other provision of law,
13 the Secretary may, by mutual agreement with the pro-
14 ducer, terminate or modify any agreement previously
15 entered into pursuant to this subsection if he determines
16 such action necessary because of an emergency created
17 by drought or other disaster, or in order to prevent or
18 alleviate a shortage in the supply of feed grains.”

19 SEC. 4. Section 326 of the Food and Agriculture Act
20 of 1962, as amended, is amended by deleting the word
21 “and” immediately preceding “(g)” and inserting immedi-
22 ately after “(g)” the following: “and (h)”.

A BILL

To extend the feed grain program under terms which will give assurance of a fair price to farmers.

By Mr. OLSON of Minnesota

MARCH 14, 1963

Referred to the Committee on Agriculture

88TH CONGRESS
1ST SESSION

H. R. 4898

IN THE HOUSE OF REPRESENTATIVES

MARCH 14, 1963

Mr. POAGE introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To extend the feed grain program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Feed Grain Act of 1963."

4 SEC. 2. Section 105 of the Agricultural Act of 1949, as
5 amended, is amended—

6 (1) by changing the period at the end of subsec-
7 tion (a) to a colon and adding the following: "*Provided,*
8 That in the case of any crop for which an acreage diver-
9 sion program is in effect for feed grains, the level of
10 price support for corn of such crop shall be at such level
11 not less than 65 per centum or more than 90 per centum

1 of the parity price therefor as the Secretary determines
2 necessary to achieve the acreage reduction goal estab-
3 lished by him for the crop.”

4 (2) by adding the following new subsection (d) :

5 “(d) The provisions of this subsection shall be applica-
6 ble with respect to any crop of feed grains for which an
7 acreage diversion program is in effect under section 16(h)
8 of the Soil Conservation and Domestic Allotment Act, as
9 amended. The Secretary shall require as a condition of
10 eligibility for price support on the crop of any feed grain
11 which is included in the acreage diversion program that the
12 producer shall participate in the diversion program to the
13 extent prescribed by the Secretary, and, if no diversion pro-
14 gram is in effect, he may require as a condition of eligibility
15 for price support on any crop of feed grains that the pro-
16 ducer shall not exceed his feed grain base. Such portion of
17 the support price for any feed grain included in the acreage
18 diversion program as the Secretary determines desirable to
19 assure that the benefits of the price support and diversion
20 programs inure primarily to those producers who cooperate
21 in reducing their acreages of feed grains shall be made avail-
22 able to producers through payments in kind. Such payments
23 in kind shall be made on the number of bushels of such feed
24 grain determined by multiplying the actual acreage of such
25 feed grain planted on the farm for harvest by the adjusted

1 average yield per acre. The base period used in determining
2 such adjusted average yield shall be the same as that used
3 for purposes of the acreage diversion program formulated
4 under section 16 (h) of the Soil Conservation and Domestic
5 Allotment Act, as amended. The Secretary may make not
6 to exceed 50 per centum of any payments hereunder to
7 producers in advance of determination of performance. Such
8 payments in kind shall be made through the issuance of
9 negotiable certificates which the Commodity Credit Corpora-
10 tion shall redeem for feed grains (such feed grains to be
11 valued by the Secretary at not less than the current support
12 price minus that part of the current support price made
13 available through payments in kind, plus reasonable carrying
14 charges) and, notwithstanding any other provision of law,
15 the Commodity Credit Corporation shall, in accordance with
16 regulations prescribed by the Secretary, assist the producer
17 in the marketing of such certificates. In the case of any
18 certificate not presented for redemption within thirty days of
19 the date of its issuance, reasonable costs of storage and other
20 carrying charges, as determined by the Secretary, for the
21 period beginning thirty days after its issuance and ending
22 with the date of its presentation for redemption shall be
23 deducted from the value of the certificate. The Secretary
24 shall provide for the sharing of such certificates among the
25 producers on the farm on the basis of their respective shares

1 in the crop produced on the farm with respect to which such
2 certificates are issued, or the proceeds therefrom. If the
3 operator of the farm elects to participate in the acreage diver-
4 sion program, price support for feed grains included in the
5 program shall be made available to the producers on such
6 farm only if such producers divert from the production of
7 such feed grains in accordance with the provisions of such
8 program an acreage on the farm equal to the number of
9 acres which such operator agrees to divert, and the agree-
10 ment shall so provide.”

11 SEC. 3. Section 16 of the Soil Conservation and Domes-
12 tic Allotment Act, as amended, is amended by adding the
13 following new subsection:

14 “(h) Notwithstanding any other provision of law—
15 “(1) Beginning with the 1964 crop, if the Secre-
16 tary determines that the total supply of feed grains will,
17 in the absence of an acreage diversion program, likely
18 be excessive, taking into account the need for an ade-
19 quate carryover to maintain reasonable and stable sup-
20 plies and prices of feed grains and to meet any national
21 emergency, he may formulate and carry out an acreage
22 diversion program for feed grains, without regard to
23 provisions which would be applicable to the regular
24 agricultural conservation program, under which, subject
25 to such terms and conditions as the Secretary determines,

1 conservation payments in amounts determined by the
2 Secretary to be fair and reasonable shall be made to
3 producers who divert acreage from the production of
4 feed grains to an approved conservation use and in-
5 crease their average acreage of cropland devoted in
6 1959 and 1960 to designated soil-conserving crops or
7 practices including summer fallow and idle land by an
8 equal amount. Payments shall not be made in amounts
9 in excess of 50 per centum of the estimated basic county
10 support rate, including that part of the support price
11 made available through payments in kind, on the normal
12 production of the acreage diverted from the commodity
13 on the farm based on its adjusted average yield per
14 acre. Notwithstanding the foregoing provisions, the
15 Secretary may permit such diverted acreage to be de-
16 voted to the production of guar, sesame, safflower, sun-
17 flower, castor beans, mustard seed, and flax, if he de-
18 termines that such crops are not in surplus supply and
19 will not be in surplus supply if permitted to be grown
20 on the diverted acreage, subject to the condition that
21 payment with respect to diverted acreage devoted to any
22 such crop shall be at a rate determined by the Secretary
23 to be fair and reasonable, taking into consideration the
24 use of such acreage for the production of such crops,

1 but in no event shall the payment exceed one-half
2 the rate which would otherwise be applicable if such
3 acreage were devoted to conservation uses, and no price
4 support shall be made available for the production of any
5 such crop on such diverted acreage. The base period
6 for the purpose of determining the adjusted average
7 yield in the case of payments with respect to the 1964
8 crop shall be the four-year period 1959–1962, and in
9 the case of payments with respect to any subsequent
10 crop shall be the most recent five-year period determined
11 by the Secretary to be representative for which statis-
12 tics are available. The term ‘feed grains’ means corn,
13 grain sorghums, barley, and, if for any crop the producer
14 so requests for purposes of having acreage devoted to
15 the production of wheat considered as devoted to the
16 production of feed grains, pursuant to the provisions of
17 section 328 of the Food and Agriculture Act of 1962,
18 the term ‘feed grains’ shall include oats and rye: *Pro-*
19 *vided*, That acreages of corn, grain sorghums, and barley
20 shall not be planted in lieu of acreages of oats and rye:
21 *Provided further*, That the acreage devoted to the
22 production of wheat shall not be considered as an acreage
23 of feed grains for purposes of establishing the feed grain
24 base acreage for the farm for subsequent crops. Such
25 feed grain diversion program shall require the producer

1 to take such measures as the Secretary may deem ap-
2 propriate to keep such diverted acreage free from ero-
3 sion, insects, weeds, and rodents. The acreage eligible
4 for participation in the program shall be such acreage
5 (not to exceed 50 per centum of the average acreage
6 on the farm devoted to feed grains in the crop years
7 1959 and 1960 or twenty-five acres, whichever is
8 greater) as the Secretary determines necessary to
9 achieve the acreage reduction goal for the crop. Pay-
10 ments shall be made in kind. The average acreage of
11 wheat produced on the farm during the crop years 1959,
12 1960, and 1961, pursuant to the exemption provided in
13 section 335 (f) of the Agricultural Adjustment Act of
14 1938, prior to its repeal by the Food and Agriculture
15 Act of 1962, in excess of the small farm base acreage for
16 wheat established under section 335 of the Agricultural
17 Adjustment Act of 1938, as amended, shall be consid-
18 ered as an acreage of feed grains produced in the crop
19 years of 1959 and 1960 for purposes of establishing the
20 feed grain base acreage for the farm, and the rate of pay-
21 ment for diverting such wheat shall be an amount de-
22 termined by the Secretary to be fair and reasonable in
23 relation to the rates of payment for diverting feed grains.
24 The Secretary may make such adjustments in acreage
25 and yields as he determines necessary to correct for

1 abnormal factors affecting production, and to give due
2 consideration to tillable acreage, crop-rotation practices,
3 types of soil, soil and water conservation measures, and
4 topography. To the extent that a producer proves the
5 actual acreages and yields for the farm, such acreages
6 and yields shall be used in making determinations. The
7 Secretary may make not to exceed 50 per centum of
8 any payments to producers in advance of determination
9 of performance.

10 “(2) Notwithstanding any other provision of this
11 subsection, not to exceed 1 per centum of the estimated
12 total feed grain bases for all farms in a State for any
13 year may be reserved from the feed grain bases estab-
14 lished for farms in the State for apportionment to farms
15 on which there were no acreages devoted to feed grains
16 in the crop years 1959 and 1960 on the basis of the
17 following factors: Suitability of the land for the produc-
18 tion of feed grains, the past experience of the farm
19 operator in the production of feed grains, the extent to
20 which the farm operator is dependent on income from
21 farming for his livelihood, the production of feed grains
22 on other farms owned, operated, or controlled by the
23 farm operator, and such other factors as the Secretary
24 determines should be considered for the purpose of
25 establishing fair and equitable feed grain bases. An

1 acreage equal to the feed grain base so established for
2 each farm shall be deemed to have been devoted to feed
3 grains on the farm in each of the crop years 1959 and
4 1960 for purposes of this subsection except that pro-
5 ducers on such farm shall not be eligible for conservation
6 payments for the first year for which the feed grain base
7 is established.

8 “(3) There are hereby authorized to be appro-
9 priated such amounts as may be necessary to enable the
10 Secretary to carry out this section 16 (h). Obligations
11 may be incurred in advance of appropriations therefor
12 and the Commodity Credit Corporation is authorized to
13 advance from its capital funds such sums as may be
14 necessary to pay administrative expenses in connection
15 with such program during the fiscal year ending June
16 30, 1964, and to pay such costs as may be incurred in
17 carrying out paragraph (4) of this subsection.

18 “(4) The Secretary shall provide by regulations
19 for the sharing of payments under this subsection among
20 producers on the farm on a fair and equitable basis and
21 in keeping with existing contracts.

22 “(5) Payments in cash shall be made by Com-
23 modity Credit Corporation and payments in kind shall
24 be made through the issuance of negotiable certificates
25 which the Commodity Credit Corporation shall redeem

1 for feed grains and, notwithstanding any other provision
2 of law, the Commodity Credit Corporation shall, in ac-
3 cordance with regulations prescribed by the Secretary,
4 assist the producer in the marketing of such certificates.
5 In the case of any certificate not presented for redemp-
6 tion within thirty days of the date of its issuance, reason-
7 able costs of storage and other carrying charges, as
8 determined by the Secretary, for the period beginning
9 thirty days after its issuance and ending with the date
10 of its presentation for redemption shall be deducted from
11 the value of the certificate. Feed grains with which
12 Commodity Credit Corporation redeems certificates pur-
13 suant to this paragraph shall be valued at not less than
14 the current support price, minus that part of the current
15 support price made available through payments in kind,
16 plus reasonable carrying charges.

17 “(5) Notwithstanding any other provision of law,
18 the Secretary may, by mutual agreement with the pro-
19 ducer, terminate or modify any agreement previously
20 entered into pursuant to this subsection if he determines
21 such action necessary because of an emergency created
22 by drought or other disaster, or in order to prevent or
23 alleviate a shortage in the supply of feed grains.”

1 SEC. 4. Section 326 of the Food and Agriculture Act
2 of 1962, as amended, is amended by deleting the word
3 “and” immediately preceding “(g)” and inserting imme-
4 diately after “(g)” the following: “and (h)”.

A BILL

To extend the feed grain program.

By Mr. POAGE

MARCH 14, 1963

Referred to the Committee on Agriculture

88TH CONGRESS
1ST SESSION

H. R. 4997

IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 1963

Mr. PoAGE introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To extend the feed grain program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That this Act may be cited as the "Feed Grain Act of 1963."

4 SEC. 2. Section 105 of the Agricultural Act of 1949, as
5 amended, is amended—

6 (1) by changing the period at the end of subsec-
7 tion (a) to a colon and adding the following: "*Provided,*
8 That in the case of any crop for which an acreage diver-
9 sion program is in effect for feed grains, the level of
10 price support for corn of such crop shall be at such level
11 not less than 65 per centum or more than 90 per centum

1 of the parity price therefor as the Secretary determines
2 necessary to achieve the acreage reduction goal estab-
3 lished by him for the crop.”

4 (2) by adding the following new subsection (d) :

5 “(d) The provisions of this subsection shall be applica-
6 ble with respect to any crop of feed grains for which an
7 acreage diversion program is in effect under section 16 (h)
8 of the Soil Conservation and Domestic Allotment Act, as
9 amended. The Secretary shall require as a condition of
10 eligibility for price support on the crop of any feed grain
11 which is included in the acreage diversion program that the
12 producer shall participate in the diversion program to the
13 extent prescribed by the Secretary, and, if no diversion pro-
14 gram is in effect, he may require as a condition of eligibility
15 for price support on any crop of feed grains that the pro-
16 ducer shall not exceed his feed grain base. Such portion of
17 the support price for any feed grain included in the acreage
18 diversion program as the Secretary determines desirable to
19 assure that the benefits of the price support and diversion
20 programs inure primarily to those producers who cooperate
21 in reducing their acreages of feed grains shall be made avail-
22 able to producers through payments in kind. Such payments
23 in kind shall be made on the number of bushels of such feed
24 grain determined by multiplying the actual acreage of such
25 feed grain planted on the farm for harvest by the adjusted

1 average yield per acre. The base period used in determining
2 such adjusted average yield shall be the same as that used
3 for purposes of the acreage diversion program formulated
4 under section 16 (h) of the Soil Conservation and Domestic
5 Allotment Act, as amended. The Secretary may make not
6 to exceed 50 per centum of any payments hereunder to
7 producers in advance of determination of performance. Such
8 payments in kind shall be made through the issuance of
9 negotiable certificates which the Commodity Credit Corpora-
10 tion shall redeem for feed grains (such feed grains to be
11 valued by the Secretary at not less than the current support
12 price minus that part of the current support price made
13 available through payments in kind, plus reasonable carrying
14 charges) and, notwithstanding any other provision of law,
15 the Commodity Credit Corporation shall, in accordance with
16 regulations prescribed by the Secretary, assist the producer
17 in the marketing of such certificates. In the case of any
18 certificate not presented for redemption within thirty days of
19 the date of its issuance, reasonable costs of storage and other
20 carrying charges, as determined by the Secretary, for the
21 period beginning thirty days after its issuance and ending
22 with the date of its presentation for redemption shall be
23 deducted from the value of the certificate. The Secretary
24 shall provide for the sharing of such certificates among the
25 producers on the farm on the basis of their respective shares

1 in the crop produced on the farm with respect to which such
2 certificates are issued, or the proceeds therefrom. If the
3 operator of the farm elects to participate in the acreage diver-
4 sion program, price support for feed grains included in the
5 program shall be made available to the producers on such
6 farm only if such producers divert from the production of
7 such feed grains in accordance with the provisions of such
8 program an acreage on the farm equal to the number of
9 acres which such operator agrees to divert, and the agree-
10 ment shall so provide.”

11 SEC. 3. Section 16 of the Soil Conservation and Domes-
12 tic Allotment Act, as amended, is amended by adding the
13 following new subsection:

14 “(h) Notwithstanding any other provision of law—
15 “(1) Beginning with the 1964 crop, if the Secre-
16 tary determines that the total supply of feed grains will,
17 in the absence of an acreage diversion program, likely
18 be excessive, taking into account the need for an ade-
19 quate carryover to maintain reasonable and stable sup-
20 plies and prices of feed grains and to meet any national
21 emergency, he may formulate and carry out an acreage
22 diversion program for feed grains, without regard to
23 provisions which would be applicable to the regular
24 agricultural conservation program, under which, subject
25 to such terms and conditions as the Secretary determines,

1 conservation payments in amounts determined by the
2 Secretary to be fair and reasonable shall be made to
3 producers who divert acreage from the production of
4 feed grains to an approved conservation use and in-
5 crease their average acreage of cropland devoted in
6 1959 and 1960 to designated soil-conserving crops or
7 practices including sunner fallow and idle land by an
8 equal amount. Payments shall not be made in amounts
9 in excess of 50 per centum of the estimated basic county
10 support rate, including that part of the support price
11 made available through payments in kind, on the normal
12 production of the acreage diverted from the commodity
13 on the farm based on its adjusted average yield per
14 acre. Notwithstanding the foregoing provisions, the
15 Secretary may permit such diverted acreage to be de-
16 voted to the production of guar, sesame, safflower, sun-
17 flower, castor beans, mustard seed, and flax, if he de-
18 termines that such crops are not in surplus supply and
19 will not be in surplus supply if permitted to be grown
20 on the diverted acreage, subject to the condition that
21 payment with respect to diverted acreage devoted to any
22 such crop shall be at a rate determined by the Secretary
23 to be fair and reasonable, taking into consideration the
24 use of such acreage for the production of such crops,

1 but in no event shall the payment exceed one-half
2 the rate which would otherwise be applicable if such
3 acreage were devoted to conservation uses, and no price
4 support shall be made available for the production of any
5 such crop on such diverted acreage. The base period
6 for the purpose of determining the adjusted average
7 yield in the case of payments with respect to the 1964
8 crop shall be the four-year period 1959-1962, and in
9 the case of payments with respect to any subsequent
10 crop shall be the most recent five-year period determined
11 by the Secretary to be representative for which statis-
12 tics are available. The term 'feed grains' means corn,
13 grain sorghums, barley, and, if for any crop the producer
14 so requests for purposes of having acreage devoted to
15 the production of wheat considered as devoted to the
16 production of feed grains, pursuant to the provisions of
17 section 328 of the Food and Agriculture Act of 1962,
18 the term 'feed grains' shall include oats and rye: *Pro-*
19 *vided*, That acreages of corn, grain sorghums, and barley
20 shall not be planted in lieu of acreages of oats and rye:
21 *Provided further*, That the acreage devoted to the
22 production of wheat shall not be considered as an acreage
23 of feed grains for purposes of establishing the feed grain
24 base acreage for the farm for subsequent crops. Such
25 feed grain diversion program shall require the producer

1 to take such measures as the Secretary may deem ap-
2 propriate to keep such diverted acreage free from ero-
3 sion, insects, weeds, and rodents. The acreage eligible
4 for participation in the program shall be such acreage
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6 on the farm devoted to feed grains in the crop years
7 1959 and 1960 or twenty-five acres, whichever is
8 greater) as the Secretary determines necessary to
9 achieve the acreage reduction goal for the crop. Pay-
10 ments shall be made in kind. The average acreage of
11 wheat produced on the farm during the crop years 1959,
12 1960, and 1961, pursuant to the exemption provided in
13 section 335 (f) of the Agricultural Adjustment Act of
14 1938, prior to its repeal by the Food and Agriculture
15 Act of 1962, in excess of the small farm base acreage for
16 wheat established under section 335 of the Agricultural
17 Adjustment Act of 1938, as amended, shall be consid-
18 ered as an acreage of feed grains produced in the crop
19 years of 1959 and 1960 for purposes of establishing the
20 feed grain base acreage for the farm, and the rate of pay-
21 ment for diverting such wheat shall be an amount de-
22 termined by the Secretary to be fair and reasonable in
23 relation to the rates of payment for diverting feed grains.
24 The Secretary may make such adjustments in acreage
25 and yields as he determines necessary to correct for

1 abnormal factors affecting production, and to give due
2 consideration to tillable acreage, crop-rotation practices,
3 types of soil, soil and water conservation measures, and
4 topography. To the extent that a producer proves the
5 actual acreages and yields for the farm, such acreages
6 and yields shall be used in making determinations. The
7 Secretary may make not to exceed 50 per centum of
8 any payments to producers in advance of determination
9 of performance.

10 “(2) Notwithstanding any other provision of this
11 subsection, not to exceed 1 per centum of the estimated
12 total feed grain bases for all farms in a State for any
13 year may be reserved from the feed grain bases estab-
14 lished for farms in the State for apportionment to farms
15 on which there were no acreages devoted to feed grains
16 in the crop years 1959 and 1960 on the basis of the
17 following factors: Suitability of the land for the produc-
18 tion of feed grains, the past experience of the farm
19 operator in the production of feed grains, the extent to
20 which the farm operator is dependent on income from
21 farming for his livelihood, the production of feed grains
22 on other farms owned, operated, or controlled by the
23 farm operator, and such other factors as the Secretary
24 determines should be considered for the purpose of
25 establishing fair and equitable feed grain bases. An

1 acreage equal to the feed grain base so established for
2 each farm shall be deemed to have been devoted to feed
3 grains on the farm in each of the crop years 1959 and
4 1960 for purposes of this subsection except that pro-
5 ducers on such farm shall not be eligible for conservation
6 payments for the first year for which the feed grain base
7 is established.

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9 priated such amounts as may be necessary to enable the
10 Secretary to carry out this section 16 (h). Obligations
11 may be incurred in advance of appropriations therefor
12 and the Commodity Credit Corporation is authorized to
13 advance from its capital funds such sums as may be
14 necessary to pay administrative expenses in connection
15 with such program during the fiscal year ending June
16 30, 1964, and to pay such costs as may be incurred in
17 carrying out paragraph (4) of this subsection.

18 “(4) The Secretary shall provide by regulations
19 for the sharing of payments under this subsection among
20 producers on the farm on a fair and equitable basis and
21 in keeping with existing contracts.

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23 issuance of negotiable certificates which the Commodity
24 Credit Corporation shall redeem for feed grains and,
25 notwithstanding any other provision of law, the Com-

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2 regulations prescribed by the Secretary, assist the pro-
3 ducer in the marketing of such certificates. In the
4 case of any certificate not presented for redemption
5 within thirty days of the date of its issuance, reason-
6 able costs of storage and other carrying charges, as
7 determined by the Secretary, for the period beginning
8 thirty days after its issuance and ending with the date
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10 the value of the certificate. Feed grains with which
11 Commodity Credit Corporation redeems certificates pur-
12 suant to this paragraph shall be valued at not less than
13 the current support price, minus that part of the current
14 support price made available through payments in kind,
15 plus reasonable carrying charges.

16 “(6) Notwithstanding any other provision of law,
17 the Secretary may, by mutual agreement with the pro-
18 ducer, terminate or modify any agreement previously
19 entered into pursuant to this subsection if he determines
20 such action necessary because of an emergency created
21 by drought or other disaster, or in order to prevent or
22 alleviate a shortage in the supply of feed grains.”

23 SEC. 4. Section 326 of the Food and Agriculture Act

1 of 1962, as amended, is amended by deleting the word
2 “and” immediately preceding “(g)” and inserting imme-
3 diately after “(g)” the following: “and (h)”.

88TH CONGRESS
1ST SESSION

H. R. 4997

A BILL

To extend the feed grain program.

By Mr. POAGE

MARCH 19, 1963

Referred to the Committee on Agriculture

March 28, 1963

that on Mar. 27, the committee agreed "to report an amendment in the nature of a substitute bill to S. 6." (p. D175)

Sen. Curtis urged enactment of legislation to provide greater equity in the distribution of the available supply of railroad cars. p. 4756

17. PUBLIC WORKS. Sens. Cannon, Metcalf, Morse, Randolph, and Warborough were added as cosponsors of S. 1121, to increase the amount authorized to be appropriated for accelerated public works projects. p. 4754
18. AREA REDEVELOPMENT. Sens. Bartlett, Clark, Hart, Hartke, Humphrey, Long (Mo.) McCarthy, McIntyre, Metcalf, Monroney, Muskie, Neuberger, Randolph, and Williams (N. J.) were added as cosponsors of S. 1163, to amend certain provisions of the Area Redevelopment Act. pp. 4754-5
19. RESEARCH. Sen. Curtis inserted an article discussing prospects of producing motor fuels from grains. p. 4756
20. PERSONNEL. Sen. Magnuson discussed prospects of stabilizing Federal employment by not filling certain vacancies when employees retire. p. 4764
Sen. Carlson expressed concern over increases in Federal employment and inserted several tables on recent increases. pp. 4798-9
21. EDUCATION. Sen. Morse inserted portions of a report of the Committee for Support of the Public Schools, including portions discussing education and agricultural productivity and education and agricultural research. pp. 4782-6
22. LEGISLATIVE PROGRAM. Sen. Mansfield expressed hope that the youth employment opportunities bill could be considered soon, and stated the Senate would not take an Easter recess. p. 4757
23. ADJOURNED until Mon., Apr. 1. p. 4863

HOUSE

24. INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1964. The Appropriations Committee reported this bill, H. R. 5279 (H. Rept. 177), which includes items for the Forest Service as shown in the table at the end of this Digest. Excerpts from the Committee report are also attached. The bill also includes items for Bureau of Outdoor Recreation, saline-water research, and Virgin Islands Corporation. p. 4732

FEED

25. GRAINS. The Livestock and Feed Grains Subcommittee (on Mar. 26) voted to report (but did not actually report) H. R. 4997 (a clean bill introduced in lieu of H. R. 3874), to extend the feed grains program. p. D177
26. ELECTRIFICATION. Rep. Cannon praised the work of the Rural Electrification Administration. pp. 4656-7
The Interior and Insular Affairs Committee reported with amendment H. J. Res. 180, authorizing continued use of certain lands within the Sequoia National Park by portions of an existing hydroelectric project (H. Rept. 163). p. 4732
27. IMPORTS. Rep. Berry criticized the importation of agricultural products, rather than domestically produced surpluses, as the major cause of the agriculture economic problem. pp. 4658-9

28. EXPENDITURES. Rep. Curtis presented the minority view urging establishment of an Advisory Commission on Federal Expenditures and other views on tax reduction and budget deficits. pp. 4721-2
29. AIR POLLUTION. Rep. Halpern urged a Federal-State-local partnership to eradicate the air pollution problem. pp. 4723-4
30. YOUTH EMPLOYMENT. The Education and Labor Committee voted to report (but did not actually report) H. R. 5131 (a clean bill introduced in lieu of H. R. 1890), to authorize the establishment of a Youth Conservation Corps. p. D178
Rep. Blatnik praised the previous work of the Civilian Conservation Corps. p. 4648
31. FOREIGN AID. Rep. Monagan inserted articles relating to captive nations, specifically mentioning U. S. economic assistance to these nations. pp. 4650-55
32. MINERALS. Rep. Saylor spoke in favor of his bill (H. R. 935) to modernize mining laws. pp. 4667-8
33. TAXATION. Rep. Alger expressed his view that a Federal spending reduction must be a prerequisite to tax reduction. pp. 4711-6
34. SMALL BUSINESS. Rep. Alger urged passage of H. R. 4926 and S. 1093, limiting Federal operations conducted in competition with private enterprise. p. 4711
35. PUBLIC DEBT. Rep. Curtis inserted an article discussing the pros and cons of deficit financing. pp. 4716-9
36. FARM PROGRAM. Rep. Tuck inserted the minutes of the Halifax County, Va. Board of Agriculture meeting containing its recommendations on soils and crops, youth, dairy, swine, forestry, and tobacco. pp. 4724-6
37. OUTDOOR RECREATION. The Interior and Insular Affairs Committee reported with amendment H. R. 1762, providing the coordination and development of effective Federal and State programs relating to outdoor recreation (H. Rept. 160). p. 4732
Received a letter from the Comptroller General transmitting a report on the review of recreation and other selected land-use activities of the Forest Service. p. 4731
38. RECLAMATION. The Interior and Insular Affairs Committee reported without amendment H. R. 4423, permitting the Secretary of Interior to continue to deliver water to lands in the third division, Riverton reclamation project, Wyo. (H. Rept. 119). p. 4732
39. CONTRACTS; TRANSPORTATION. The Merchant Marine and Fisheries Committee reported without amendment H. R. 4555, to extend certain provisions of law relating to dual rate contracts (H. Rept. 164). p. 4732
40. LANDS. The Interior and Insular Affairs Committee (on Mar. 27) voted to report (but did not actually report) H. R. 2073 (amended), to place certain submerged lands under the jurisdiction of the governments of Guam, the Virgin Islands, and American Samoa. p. D179
Received a letter from Interior, transmitting a proposed bill "to authorize and direct that certain lands exclusively administered by the Secretary of the Interior be managed under principles of multiple-use and to produce a sustained yield of products and services, and for other purposes"; to Interior

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued April 3, 1963
For actions of April 2, 1963
88th-1st; No. 48

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HIGHLIGHTS: House committee reported bill to extend feed grain program. House passed Interior appropriation bill. Several Representatives commended proposed Youth Conservation Corps. House committee voted to report bill for transfer of cotton allotments in disaster areas. Reps. Whitener and Kornegán criticized two-price cotton system. Both Houses received President's message on foreign aid. Rep. Philbin introduced and discussed soil and water resources development bill.

SENATE

1. **FOREIGN AID.** Both Houses received the President's message and proposed bill on foreign aid (H. Doc. 94) (pp. 5096, 5125-30). The President stated that a closer review of the foreign aid program permits a reduction in the original budget estimates from \$4.9 billion to \$4.5 billion. He commended the Food for Peace program in countries of the Alliance for Progress and stated the program should supplement the diets of 16 million children and mothers next year, as compared to 8 million at present.
2. **FOREIGN TRADE.** Sen. Keating expressed concern over European Common Market restrictions on U. S. agricultural products and stated that the U. S. Government "must promote and protect the interest of American agriculture abroad if the new Trade Expansion Act is to live up to its name." pp. 5057-8

3. ELECTRIFICATION. Sen. Morse commended the rural electrification program and inserted an address by Clyde T. Ellis discussing accomplishments of the program. pp. 5068-70
 4. DAIRY INDUSTRY. Sen. Proxmire inserted an editorial discussing the "plight" of the dairy farmer in Wisc. and stating that ways "must be found to ease our disappearing farmers into the labor market." p. 5058
 5. TRANSPORTATION. Continued debate on S. 6, the proposed urban mass transportation bill. pp. 5074-88, 5092-3, 5099-5109, 5112-4
 6. EDUCATION; EMPLOYMENT. Sen. Boggs urged enactment of his bill, S. 1222, to provide for an expanded and improved vocational education system through cooperation with State vocational agencies on a matching fund basis, as a means of reducing unemployment. pp. 5109-12
Both Houses received from the chairman, U. S. Advisory Commission on International Educational and Cultural Affairs a report on the effectiveness of the U. S. educational and cultural exchange program. pp. 5050, 5230
 7. LANDS. Received from Interior a proposed bill to authorize and direct that certain lands exclusively administered by the Secretary of the Interior be managed under principles of multiple use and to produce a sustained yield of products and services; to Interior and Insular Affairs Committee. p. 5050
 8. LIVESTOCK; TRANSPORTATION. Both Houses received an Ore. Legislature resolution urging that steps be taken "as may be necessary to restore the historic freight rate formula that has existed between westbound livestock and meat." pp. 5052, 5232
 9. SMALL BUSINESS. Received the annual report of the Select Committee on Small Business (S. Rept. 104). p. 5084
 10. NOMINATION. The Foreign Affairs Committee reported the nomination of W. Averell Harriman to be Under Secretary of State for Political Affairs. p. 5054
 11. BUILDINGS. The "Daily Digest" states that the Subcommittee on Public Buildings and Grounds of the Public Works Committee took the following actions:
Approved authorizations for 86 new small building projects to be financed by funds from the Accelerated Public Works Program;
Approved authorizations for 66 new building projects and 8 extensions and conversions; and
Approved prospectuses for alterations to 41 existing buildings.
- HOUSE
12. APPROPRIATIONS. Passed with amendments, H. R. 5279, the Interior Department and related agencies appropriation bill, including Forest Service. See Digest No. 46 for items of interest to this Department. pp. 5132-51
By a vote of 121 to 122, rejected an amendment by Rep. Smith (Va.) to delete language providing \$10 million for development of a "wetlands" program for migratory bird conservation. pp. 5147-9
Rejected an amendment by Rep. Gibbons to delete a Forest Service item of \$1 million for assistance to States for tree planting. pp. 5149-50
 13. GRAINS. The Agriculture Committee reported with amendments H. R. 4997, to extend the feed grain program. (H. Rept. 180) p. 5230

FEED GRAIN ACT OF 1963

APRIL 2, 1963.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

R E P O R T

together with

MINORITY REPORT and ADDITIONAL MINORITY VIEWS

[To accompany H.R. 4997]

The Committee on Agriculture, to whom was referred the bill (H.R. 4997) to extend the feed grain program, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

The amendments are as follows:

Page 2, line 6, strike the words "any crop" and insert in lieu thereof "the 1964 crop and 1965 crop".

Page 2, line 6, strike the words "for which" and insert in lieu thereof "if".

Page 2, line 14, strike the comma after the word "effect" and insert "for the 1964 crop or the 1965 crop,".

Page 2, line 15 strike the word "any" and insert in lieu thereof the word "such".

Page 2, line 16, change the period to a colon and add:

Provided, That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the acreage diversion program for feed grains if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, does not knowingly devote an

acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960, and does not devote any acreage devoted to the production of oats and rye in 1959 and 1969 to the production of wheat pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962.

Page 4, line 15, strike out the words "Beginning with the 1964 crops" and insert in lieu thereof "For the 1964 crop and the 1965 crop of feed grains".

Page 6, line 9, strike the words "any subsequent" and insert in lieu thereof "the 1965".

Page 6, line 10, strike the words "most recent".

Page 6, lines 10, 11, and 12, strike the words "determined by the Secretary to be representative for which statistics are available." and insert in lieu thereof "1959-1963."

Page 8, line 9, after the period add:

Notwithstanding any other provision of this subsection (h)(1), barley shall not be included in the program for a producer of malting barley exempted pursuant to section 105(d) of the Agricultural Act of 1949 who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

SHORT SUMMARY OF H.R. 4997

The bill would provide for a voluntary feed grain program for 1964 and 1965 very similar to that in effect for 1963.

Under the bill, price support for corn, if a feed grain acreage diversion program is in effect, would be between 65 and 90 percent of parity to those producers who participate in the acreage diversion program. Price support for other feed grains would be comparable to that for corn. If no acreage diversion program is in effect, the support price would be at the level authorized by the Food and Agriculture Act of 1962 but may be restricted to those producers who do not exceed the feed grain base established for the farm. A portion of the price support would be made in the form of a payment in kind.

An acreage diversion program would be in effect if it is determined that, in the absence of such a program, the total supply of feed grains will likely be excessive. Payments in kind not to exceed 50 percent of the support price (including that portion of the support price made in kind) on the normal production of the acreage diverted, are authorized.

The base acreage used to determine the percentage of land to be diverted would continue to be the 1959 and 1960 average adjusted acreage. However, the average acreage of wheat for 1959, 1960, and 1961 produced under the feed wheat exemption (sec. 335(f) of the Agricultural Adjustment Act of 1938, as amended) in excess of the small farm wheat base established for the farm would be included in the feed grain base.

Provision is made to reserve not to exceed 1 percent of the estimated State feed base for apportionment to farms on which there were no acreages devoted to feed grains during 1959 and 1960, with specific

guidelines for apportioning the reserve to such farms. Farms that receive bases under this provision would not be eligible for land diversion payments in the first year.

The adjusted yield used to determine the normal production for price support payments and land diversion payments for the 1964 crop would be based on the 1959-62 average yield and for the 1965 crop the 1959-63 average yield.

The acreage to be diverted would be determined as that necessary to achieve the acreage goal but could not exceed the larger of 50 percent of the base or 25 acres.

Payment in kind involved in the price support and acreage diversion program would be in the form of negotiable certificates with CCC authorized to redeem such certificates for feed grains valued at not less than the current support price less that part of the support price made available through payments in kind, plus reasonable carrying charges.

The definition of feed grains has been revised to include oats and rye if the producer so requests, in which case the producers could if they so desired, to have feed grain acreage devoted to the production of wheat considered as devoted to the production of feed grains. However, corn, grain sorghums, or barley shall not be planted in lieu of oats or rye.

The bill contains a number of other provisions, some of which are generally similar to those in effect under the current program, such as (a) the requirement to increase the acreage of cropland devoted to conservation, summer fallow, and idle by the number of acres diverted, (b) the acreage diverted may be used for designated crops with the land diversion payment not more than one-half the rate which would otherwise be applicable, (c) up to 50 percent of the price support and land diversion payments may be made in advance of determining performance, and (d) authority to exempt malting barley.

STATEMENT

The committee brings to the House an entirely voluntary program for feed grains under the terms of H.R. 4997.

No farmer is required in this legislation to reduce his plantings by one single acre. The committee believes the program will make it attractive to many farmers to reduce their acreage just as they have in the past 2 years. But there is no compulsion and no penalty is imposed on any farmer who wants to plant all the feed grain he has in the past or who wants to increase his feed grain acres.

Indeed, under this bill, any farmer can plant corn from the back steps to the back fence of his farm, and nobody can interfere with him.

This bill is definitely not open to the charge that it involves the slightest bit of compulsion. Those who want a voluntary program have it in H.R. 4997. If the history of the past 2 years is indicative of the future, those who want an effective feed grain program have it in H.R. 4997.

The purpose of this legislation is fourfold:

- (1) It will raise farm income, by assuring fairer prices for feed grain producers and by providing a basis of stability for livestock prices.

- (2) It will bring down further the surplus stocks of feed grains.

(3) It will save millions of dollars in costs to taxpayers, in contrast to the Government storage program which would be in effect without this legislation.

(4) It will give the wheat and feed grains producer new freedom and flexibility in the management and operation of his own farm. It will enable him to substitute acre for acre between feed grains and wheat whenever he finds that by doing so he will increase the efficiency and effectiveness of his own personal farming operation. Since this feed grains program is complementary to and interrelated to the wheat program enacted by Congress last year, prompt action on this feed grains measure is urgently needed so that wheat producers will have all of the available information in making their decision in the referendum on the 1964 wheat program on May 21, 1963.

H.R. 4997 IMPORTANT TO WHEAT FARMERS

Passage of this feed grains bill will complete the overall grain program which Congress partially approved in the passage of the long-range wheat program as part of the Agriculture Act of 1962.

One of the key provisions in the 1962 wheat legislation is the authority, at the discretion of the Secretary, for producers to grow wheat on feed grain acreages, and feed grains on wheat acreages, in the interest of efficient and flexible farming operations. This provision in the wheat program is limited to years in which a feed grains diversion program is in effect. The Secretary has indicated that if there is a feed grains program for 1964 he would utilize the authority thus provided.

This provision is vital to hundreds of thousands of wheat and feed grain producers, many of whom have traditionally produced only wheat or only feed grains. These farmers, under past acreage allotment programs, have taken acreage from their traditional crops and planted it to either wheat or feed grains. In many cases, this was neither efficient nor desirable from a long-range farm management standpoint. For example, a typical farmer in the Pacific Northwest, as his wheat acreage allotment was reduced to a level corresponding to the 55 million acre national allotments began to produce barley, oats, or rye on the acreage which formerly had been devoted to wheat. Similar situations existed in the Southern Plains area where farmers planted grain sorghum on acres formerly devoted to wheat.

Also, many Corn Belt farmers began to use the 15-acre provision provided in the wheat program when they participated in the old corn acreage allotment program.

H.R. 4997, together with the Agriculture Act of 1962, makes this substitution clause fully operative. Farmers will be able to decide whether to revert to traditional production patterns or to continue the crops grown in recent years. This is a most significant step forward in adapting farm programs to the individual farmer's operation of his own farm.

Contrary to some statements, this provision will not adversely affect either the wheat or feed grains acres. The producer who decides to use the substitution clause, must, of course, comply with the provisions of both programs by devoting to conservation uses that portion of his land formerly devoted to either wheat or feed grains. Any wheat grown on feed grain acres will be in place of, not

in addition to, feed grains normally grown. Thus, the overall production of both wheat and feed grains will be correspondingly reduced.

Under the provisions of the wheat program enacted last year, farmers will vote on May 21 to decide which of the alternatives provided in the legislation shall be effective for the 1964 crop of wheat. This is a most important decision for grain producers. In order that farmers may make the best possible decision, they must have all of the available facts concerning the alternatives. Since one of the key questions in that referendum is the substitution clause, prompt action by Congress will be a major step in assuring that producers have all of the available information and know what the program alternatives will be for both feed grains and wheat prior to casting their vote in the wheat referendum of May 21.

THE GRIM ALTERNATIVES

Failure to act positively upon a sound stabilization program for feed grains, to operate along with a related and effective program for wheat, would present grim alternatives.

Corn prices no doubt would fall to around 80 cents a bushel. Prices of other grains would follow corn prices down.

Livestock markets, with unlimited production of cheap feed at depressed prices, would in the long run be demoralized.

The Nation would run the risk of a terrible farm depression that would send a shock wave through the total economy.

Moreover, all the investment made by the Government in the last 2 years to bring down grain surpluses would have been wasted.

CONGRESS RESPONDED TO FARM CRISIS

The Committee on Agriculture confidently submits this legislation to the House on the record of accomplishments of the voluntary feed grains program first adopted in 1961. H.R. 4997 continues this program in modified and improved form. It seeks to discourage surplus production and to accomplish stability of production and price, through payments for voluntary retirement of acreage, and through loans and direct payments to cooperators in the program.

Just 2 years ago the Nation's agriculture, our basic and largest industry, was on the brink of bankruptcy. The farm program, which had worked so long and so well—during wartime and in peace—in the interest of farmers and the general economy, was a shambles.

Farmers' net earnings were at the lowest level, in relation to volume of their sales, for any period since the Department of Agriculture began keeping books. Average farm prices had reached their lowest, in terms of parity, for any year since the 1930's. Per capita annual income of people living on farms was only about one-half that of non-farm people.

Huge surpluses of food and fiber—\$9 billion worth of Government held warehouse stocks—were being carried at great costs to taxpayers.

In February of 1961 President Kennedy, in his farm message, called upon Congress to remedy this situation, and the Congress responded.

The long downslide in farm income was halted.

Cumulative net earnings of farmers already have been increased by more than \$2 billion.

The pileup of surplus upon surplus in grains has been stopped.

Taxpayers already have been saved many millions of dollars, on future farm program costs.

The 1962 net farm income of \$12.9 billion was 10 percent greater than in 1960 and the highest since 1953.

Average income per farm in 1962 was up 18 percent over 1960, from \$2,960 to \$3,498.

Hourly returns for farmworkers and operators were \$1.05 in 1962, compared with 87½ cents in 1960, up 20 percent. Bank deposits and business activity in 20 major farm States are now 10 percent above 1960, an indication of the importance of farm income to the general economy.

1961-63 PROGRAMS

On February 16, 1961, when President Kennedy submitted to the Congress a recommendation for the 1961 feed grain program, he stated that under the legislation then in existence burdensome surpluses were threatening to drive down farm prices of livestock. With the Government investment in feed grains at a record high of \$4 billion, the President pointed out the following:

If this program is allowed to continue in effect for this year's crop, the stocks in government hands will reach even more alarming proportions, a virtually unmanageable storage problem will be created, farm income will continue to suffer, and large amounts of government funds will be needlessly expended.

This committee and the Congress acted promptly to deal with this situation, and we enacted Public Law 87-5. Later in 1961, Congress extended the program to include the 1962 crop, and in September 1963 approved the Food and Agriculture Act of 1962 under which the voluntary program was extended to the 1963 crop.

Farmers recognized the danger in a program of unlimited production. Some 1.2 million feed grain producers throughout the United States signed up to participate in the 1961 voluntary program and diverted more than 25 million acres from the production of unneeded feed grains to needed conservation uses. In 1962 some 1.3 million farmers again elected to cooperate in the program to bring about balance between feed grain supplies and demand. They diverted nearly 30 million acres.

While precise data are not available for 1963, preliminary estimate indicates that about 1.3 million farms will participate and that they will divert around 26 million acres from the production of feed grains.

As a result of this cooperation on the part of the Congress, the administration, and the farmers of America, carryover stocks will have been reduced from 84.7 to probably 51 million tons by the end of the 1963 marketing year. For 1961, the stock reduction amounted to nearly 13 million tons. (Data by State of participation in the 1961, 1962, and 1963 programs are tabulated in tables 5, 6, and 7.)

If these programs had not been in effect, production would have continued to exceed utilization, just as it has for each of the past 9 years.

At the same time, net farm income has increased by over \$1 billion per year. In each of these years, much of the increase in farm income was attributable to the feed grain program. As an example, the value

of production from the 1962 crop, including the land diversion payments, exceeded the value of the 1960 crop by nearly 20 percent.

Taxpayers, likewise, are benefiting from this successful effort to bring about a balance in the feed grain economy. In the absence of the feed grain program, production would have continued to exceed requirements and thus result in continually increasing carrying costs. However, as a result of the expected reduction in the carryover stocks of nearly 34 million tons, the equivalent of about 1,200 million bushels of corn in the 3-year period, ultimate savings to taxpayers will be more than \$1.3 billion. (Table S summarizes these cost savings by years.)

In the 1963 program, a portion of the farm price support is provided in the form of a price support payment in kind. This makes the 1963 program better adapted to the operations of the feed grain-livestock producer and assures an advantage for cooperation and is made a part of the proposed program for 1964 and 1965.

H.R. 4997 CONSOLIDATES GAINS

The question now before the Congress is whether the gains which have been made—reduced stocks, improved farm income, and reduced program costs—will be maintained and consolidated or whether we revert to a program of unlimited production and disastrously low prices.

Unless new legislation is enacted, there is no authority after 1963 for a diversion program for feed grains. Furthermore, the law (Food and Agriculture Act of 1962) directs the Secretary of Agriculture to establish price supports for corn and other feed grains at such level as will not add to surplus stocks. The effect of this would be price support in the range of 80 cents per bushel for corn and comparable levels for other feed grains. Even so, with unlimited production there would likely be an accumulation of surplus stocks. Prices for hogs, cattle, poultry, and dairy products and other commodities would fall. If a return to this type of situation is to be avoided, action is necessary on new feed grain legislation.

The President recommended in his recent agricultural message that new legislation to "take advantage of the knowledge and experience gained under the 1961-62 and 1963 programs be enacted." He further stated:

It should: (1) be a voluntary program, (2) be flexible enough to meet varying conditions and needs, and (3) be based upon the same basic principles which have proven successful in the last 2 years.

If the 1963 program proves as successful as those for 1961 and 1962, carryover stocks at the end of the 1963-64 marketing year will probably be near a safe reserve level. Under these circumstances, the 1964 acreage goal would be larger than the 1961 and 1962 planted acres, but smaller than the 1959 and 1960 planted acreage. The goal will depend largely on the trend in yields and requirements for domestic and export needs—none of which can be estimated with any degree of certainty at this time.

The legislative needs for 1964 and 1965 calls for a program geared to maintain stocks at about 45 to 50 million tons. This will require sufficient flexibility to enable the Secretary of Agriculture to adjust

program provisions so as to maintain the desirable balance at the lowest cost consistent with the goal of improved farm income.

H.R. 4997 would meet the requirements outlined above. It would provide the basis for stabilizing the feed grain-livestock economy with improved income to producers at minimum program costs. It is for these reasons that the Committee on Agriculture, in its responsibility to farmers and to the Nation, submits this legislation for the consideration of the House.

THE FEED GRAIN SITUATION

The supply of feed grains in the current (1962-63) marketing year is estimated at 215.2 million tons, more than 15.4 million tons less than was available during the 1960-61 marketing year just prior to the new feed grain program. The supply includes the carryover at the beginning of the marketing years of 71.8 million tons, production of 143.1 million tons, and imports of 0.3 million tons. Domestic disappearance for 1962-63 is estimated at 138.6 million tons and exports at 15.6 million tons. The resulting carryover at the end of the year is currently estimated to be 61 million tons, about 11 million tons below that at the beginning of the marketing year and well below the nearly 85 million ton carryover at the end of the 1960-61 marketing year (total supply and disappearance of feed grains for recent years are shown in tables 1 and 2).

The Department reports that as of February 28, 1963, CCC had \$2,923 million invested in feed grains, of which \$1,292 million was in outstanding loans and \$1,631 million was in inventory. The greatest portion of these price support investments was in corn and grain sorghums, with corn accounting for \$2,032 million and grain sorghums for \$804 million. (Data with respect to prices, acreages, and CCC holdings for corn and grain sorghums are summarized in tables 3 and 4.)

TABLE 1.—*Feed grains: Total supply and disappearance, United States, marketing years, 1950-62*¹

| [Million tons] | | | | | | | | | | | |
|-------------------------|--------------------------|-------|-------|-------------|-----------------------|-------|--------------------------|----------------------|-----------------------|-------|-----------------------------|
| Year | Supply ² | | | | | | Utilization ² | | | | Carry-over at close of year |
| | Carryover | | | Produc-tion | Im-ports ⁴ | Total | Live-stock feed | Food, indus-try seed | Ex-ports ⁴ | Total | |
| | Govern-ment ³ | Other | Total | | | | | | | | |
| 1950 ----- | 20.9 | 9.6 | 30.5 | 113.1 | 0.8 | 144.4 | 95.7 | 13.7 | 6.4 | 115.8 | 28.6 |
| 1951 ----- | 14.8 | 13.8 | 28.6 | 104.8 | 1.3 | 134.7 | 97.7 | 12.1 | 4.8 | 114.6 | 20.1 |
| 1952 ----- | 9.0 | 11.1 | 20.1 | 111.0 | 1.7 | 132.8 | 88.8 | 11.7 | 5.3 | 105.8 | 27.0 |
| 1953 ----- | 16.6 | 10.4 | 27.0 | 108.3 | 2.2 | 137.5 | 89.9 | 12.1 | 3.8 | 105.8 | 31.7 |
| 1954 ----- | 22.6 | 9.1 | 31.7 | 114.1 | .9 | 146.7 | 89.7 | 12.4 | 5.5 | 107.6 | 39.1 |
| 1955 ----- | 29.7 | 9.4 | 39.1 | 120.8 | .8 | 160.7 | 96.9 | 12.5 | 8.1 | 117.5 | 43.2 |
| 1956 ----- | 34.7 | 8.5 | 43.2 | 119.3 | .9 | 163.4 | 94.3 | 12.6 | 7.7 | 114.6 | 48.8 |
| 1957 ----- | 40.8 | 8.0 | 48.8 | 132.4 | 1.0 | 182.2 | 101.0 | 12.4 | 9.8 | 123.2 | 59.0 |
| 1958 ----- | 49.7 | 9.3 | 59.0 | 144.1 | .4 | 203.5 | 110.4 | 13.0 | 12.6 | 136.0 | 67.5 |
| 1959 ----- | 58.0 | 9.5 | 67.5 | 149.6 | .5 | 217.6 | 117.2 | 13.0 | 12.8 | 143.0 | 74.6 |
| 1960 ----- | 65.7 | 8.9 | 74.6 | 155.6 | .4 | 230.6 | 120.2 | 13.0 | 12.7 | 145.9 | 84.7 |
| 1961 ----- | 74.6 | 10.1 | 84.7 | 140.6 | .5 | 225.8 | 123.4 | 13.3 | 17.3 | 154.0 | 71.8 |
| 1962 ⁵ ----- | 62.4 | 9.4 | 71.8 | 143.1 | .3 | 215.2 | 125.4 | 13.2 | 15.6 | 154.2 | 61.0 |
| 1963 ⁵ ----- | 51.0 | 10.0 | 61.0 | | | | | | | | |

¹ Revised 1955-59 on basis of 1959 Census of Agriculture. Includes corn for grain only.

² October-September year for corn and sorghum grain, July-June year for oats and barley.

³ Under loan or owned by CCC. Includes an allowance for purchase agreement deliveries of corn after Oct. 1 and oats and barley after July 1.

⁴ Imports and exports include grain equivalent of products.

⁵ Preliminary.

Source: U.S. Department of Agriculture.

TABLE 2.—*Feed grains: Supplies and utilization, United States; average, 1956-60; annual, 1954-62*CORN
[Million bushels]

| Marketing year beginning ¹ | Supply | | | | Utilization | | | | |
|---------------------------------------|------------|------------|----------------------|-------|------------------------------|-------------------------|-------|----------------------|-------|
| | Carry-over | Production | Imports ² | Total | Live-stock feed ³ | Food and industrial use | Seed | Exports ⁴ | Total |
| Average, 1956-60..... | 1,473 | 3,442 | 1 | 4,916 | 2,772 | 281 | 12 | 210 | 3,275 |
| 1954..... | 920 | 2,708 | 1 | 3,629 | 2,242 | 248 | 12 | 92 | 2,594 |
| 1955..... | 1,035 | 2,873 | 1 | 3,909 | 2,366 | 258 | 12 | 108 | 2,744 |
| 1956..... | 1,165 | 3,075 | 1 | 4,241 | 2,378 | 268 | 11 | 165 | 2,822 |
| 1957..... | 1,419 | 3,045 | 2 | 4,466 | 2,534 | 269 | 11 | 183 | 2,997 |
| 1958..... | 1,469 | 3,356 | 1 | 4,826 | 2,786 | 289 | 13 | 214 | 3,302 |
| 1959..... | 1,524 | 3,825 | 1 | 5,350 | 3,050 | 289 | 12 | 212 | 3,563 |
| 1960..... | 1,787 | 3,908 | 1 | 5,696 | 3,111 | 290 | 11 | 276 | 3,688 |
| 1961..... | 2,008 | 3,626 | 1 | 5,635 | 3,259 | 310 | 11 | 415 | 3,995 |
| 1962 ⁵ | 1,640 | 3,644 | 1 | 5,285 | 3,309 | 305 | 11 | 360 | 3,985 |
| 1963 ⁵ | 1,300 | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |

OATS

| | | | | | | | | | |
|-------------------------|-----|-------|-------|-------|-------|-------|-------|-------|-------|
| Average 1956-60..... | 309 | 1,210 | 10 | 1,529 | 1,063 | 41 | 90 | 30 | 1,224 |
| 1954..... | 227 | 1,410 | 20 | 1,657 | 1,185 | 37 | 119 | 13 | 1,354 |
| 1955..... | 303 | 1,496 | 3 | 1,802 | 1,281 | 38 | 111 | 26 | 1,456 |
| 1956..... | 346 | 1,151 | 17 | 1,514 | 1,105 | 39 | 105 | 25 | 1,274 |
| 1957..... | 240 | 1,290 | 25 | 1,555 | 1,070 | 40 | 95 | 26 | 1,231 |
| 1958..... | 324 | 1,401 | 3 | 1,728 | 1,203 | 41 | 88 | 30 | 1,362 |
| 1959..... | 366 | 1,052 | 2 | 1,420 | 989 | 42 | 79 | 43 | 1,153 |
| 1960..... | 267 | 1,155 | 1 | 1,423 | 946 | 42 | 83 | 27 | 1,098 |
| 1961..... | 325 | 1,011 | 1 | 1,337 | 922 | 42 | 77 | 18 | 1,060 |
| 1962 ⁵ | 277 | 1,032 | 5 | 1,314 | 900 | 42 | 74 | 23 | 1,039 |
| 1963 ⁵ | 275 | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |

BARLEY

| | | | | | | | | | |
|-------------------------|-----|-------|-------|-------|-------|-------|-------|-------|-------|
| Average, 1956-60..... | 155 | 430 | 20 | 605 | 231 | 90 | 26 | 95 | 442 |
| 1954..... | 71 | 379 | 24 | 474 | 187 | 88 | 26 | 43 | 344 |
| 1955..... | 131 | 403 | 28 | 562 | 228 | 90 | 24 | 103 | 445 |
| 1956..... | 117 | 377 | 27 | 521 | 217 | 89 | 26 | 62 | 394 |
| 1957..... | 127 | 443 | 24 | 594 | 220 | 87 | 26 | 92 | 425 |
| 1958..... | 169 | 477 | 14 | 660 | 231 | 90 | 26 | 117 | 464 |
| 1959..... | 196 | 422 | 18 | 636 | 233 | 93 | 25 | 118 | 469 |
| 1960..... | 167 | 431 | 15 | 613 | 258 | 91 | 25 | 86 | 460 |
| 1961..... | 153 | 396 | 20 | 569 | 245 | 92 | 24 | 84 | 445 |
| 1962 ⁵ | 124 | 429 | 10 | 563 | 238 | 92 | 23 | 85 | 438 |
| 1963 ⁵ | 625 | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |

SORGHUM GRAIN

| | | | | | | | | | |
|-------------------------|-----|-------|------------------|-------|-------|-------|-------|-------|-------|
| Average, 1955-60..... | 312 | 506 | (⁶) | 818 | 299 | 10 | 3 | 70 | 382 |
| 1954..... | 22 | 236 | (⁶) | 258 | 124 | 8 | 3 | 48 | 183 |
| 1955..... | 75 | 243 | (⁶) | 318 | 160 | 8 | 3 | 66 | 237 |
| 1956..... | 81 | 205 | (⁶) | 286 | 173 | 9 | 3 | 22 | 207 |
| 1957..... | 79 | 568 | (⁶) | 647 | 269 | 9 | 3 | 57 | 335 |
| 1958..... | 309 | 581 | (⁶) | 890 | 268 | 9 | 3 | 100 | 380 |
| 1959..... | 510 | 555 | (⁶) | 1,065 | 370 | 12 | 2 | 100 | 484 |
| 1960..... | 551 | 620 | (⁶) | 1,201 | 415 | 11 | 2 | 71 | 499 |
| 1961..... | 702 | 480 | (⁶) | 1,182 | 412 | 8 | 2 | 99 | 521 |
| 1962 ⁵ | 661 | 509 | (⁶) | 1,170 | 440 | 8 | 2 | 95 | 545 |
| 1963 ⁵ | 625 | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |

¹ Marketing year beginning Oct. 1 for corn and sorghum grain; July 1 for oats and barley.² Includes grain equivalent of products.³ Residual; includes small quantities for other uses and waste.⁴ Corn, sorghum grain, and oats, grain only; barley includes grain equivalent of malt.⁵ Preliminary, imports, utilization, and carryover at close of year, based on indications in February 1963.⁶ Not reported separately.

TABLE 3.—*Relationship of support prices and acreage diversion to production and CCC holdings of corn, 1950-63 crops*

[All figures except prices are in millions]

| Crop | Price per bushel | | Acreage | | Production (for grain) (bushel) | CCC holdings at end of marketing year for crop (bushel) ¹ | | |
|-------------------------|-------------------|----------------------|---------|--|---------------------------------|--|-------|---------|
| | Support price | Season average price | Planted | Diverted under soil bank and feed grain programs | | Inventory | Loans | Total |
| 1950..... | \$1.47 | \$1.52 | 82.9 | ----- | 2,764.1 | 402.8 | 84.7 | 487.5 |
| 1951..... | 1.57 | 1.66 | 83.3 | ----- | 2,628.9 | 290.7 | 15.5 | 306.2 |
| 1952..... | 1.60 | 1.51 | 82.2 | ----- | 2,980.8 | 236.0 | 277.8 | 513.8 |
| 1953..... | 1.60 | 1.48 | 81.6 | ----- | 2,881.8 | 353.7 | 362.7 | 716.4 |
| 1954..... | 1.62 | 1.43 | 82.2 | ----- | 2,708.9 | 621.5 | 236.1 | 857.6 |
| 1955..... | 1.58 | 1.35 | 80.9 | ----- | 2,873.0 | 748.4 | 360.7 | 1,109.1 |
| 1956..... | 1.50 | 1.29 | 77.8 | 5.3 | 3,075.3 | 873.3 | 386.6 | 1,259.9 |
| 1957..... | 1.40 | 1.11 | 73.2 | 6.1 | 3,045.4 | 1,077.1 | 276.7 | 1,353.8 |
| 1958..... | 1.36 | 1.12 | 73.4 | 8.1 | 3,356.2 | 1,184.3 | 216.3 | 1,400.6 |
| 1959..... | 1.12 | 1.04 | 82.7 | 3.5 | 3,824.6 | 1,312.8 | 389.4 | 1,702.2 |
| 1960..... | 1.06 | 1.00 | 81.7 | 4.6 | 3,908.1 | 1,371.0 | 556.3 | 1,927.3 |
| 1961..... | 1.20 | 1.08 | 66.8 | 24.7 | 3,625.5 | 867.3 | 688.8 | 1,556.1 |
| 1962 ² | 1.20 | 1.10 | 66.0 | 24.9 | 3,643.6 | 585.0 | 630.0 | 1,215.0 |
| 1963 ² | ³ 1.25 | 1.07 | 67.5 | 22.1 | 3,745.0 | 475.0 | 490.0 | 965.0 |

¹ For corn, data shown are as of Sept. 30 of the calendar year following the year of the crop.² Preliminary, as of March 1963.³ Loan rate \$1.07, price support payment 18 cents per bushel.TABLE 4.—*Relationship of support prices and acreage diversion to production and CCC holdings of grain sorghums, 1950-63 crops*

[All figures except prices are in millions]

| Crop | Price per bushel | | Acreage | | Production (bushel) | CCC holdings at end of marketing year (bushel) ¹ | | |
|-------------------------|-------------------|----------------------|---------|---|---------------------|---|-------|-------|
| | Support price | Season average price | Planted | Diverted under soil bank and feed grain | | Inventory | Loans | Total |
| 1950..... | \$1.05 | \$1.05 | 16.1 | ----- | 233.5 | 17.2 | 1.5 | 18.7 |
| 1951..... | 1.22 | 1.32 | 15.0 | ----- | 162.9 | .5 | .6 | 1.1 |
| 1952..... | 1.33 | 1.58 | 12.3 | ----- | 90.7 | .1 | 2.9 | 3.0 |
| 1953..... | 1.36 | 1.32 | 14.6 | ----- | 115.7 | 21.7 | 12.7 | 34.4 |
| 1954..... | 1.28 | 1.26 | 20.1 | ----- | 235.6 | 68.0 | 8.1 | 76.1 |
| 1955..... | 1.00 | .98 | 23.9 | ----- | 242.6 | 76.2 | 12.2 | 88.4 |
| 1956..... | 1.10 | 1.15 | 21.4 | ----- | 204.9 | 75.1 | 24.7 | 99.8 |
| 1957..... | 1.04 | .97 | 26.9 | 1.9 | 567.5 | 294.8 | 35.5 | 330.3 |
| 1958..... | 1.02 | 1.00 | 20.7 | 2.6 | 581.0 | 490.6 | 24.7 | 515.3 |
| 1959..... | .85 | .86 | 19.5 | 3.5 | 555.2 | 561.6 | 22.1 | 583.7 |
| 1960..... | .85 | .84 | 19.6 | 3.9 | 619.9 | 673.4 | 43.3 | 716.7 |
| 1961..... | 1.08 | 1.01 | 14.3 | 10.0 | 479.8 | 647.6 | 36.5 | 684.1 |
| 1962 ² | 1.08 | 1.00 | 15.0 | 9.1 | 509.1 | 595.0 | 15.0 | 610.0 |
| 1963 ² | ³ 1.12 | .96 | 15.8 | 7.6 | 535.0 | 550.0 | 15.0 | 565.0 |

¹ For grain sorghums, data shown are of Sept. 30 of the calendar year following the year of the crop.² Preliminary, as of March 1963.³ Loan rate \$0.96 per bushel, price support payment \$0.16 per bushel.

TABLE 5.—*Preliminary enrollment in the 1963 feed grain program, 1961 participating farms and 1963 enrollment*¹

| State | 1961 participating farms | 1963 enrolled farms | State | 1961 participating farms | 1963 enrolled farms |
|--------------------|--------------------------|---------------------|---------------------|--------------------------|---------------------|
| Alabama..... | 29,424 | 32,985 | Nevada..... | 44 | 55 |
| Alaska..... | | | New Hampshire..... | | 13 |
| Arizona..... | 1,196 | 831 | New Jersey..... | 1,922 | 2,730 |
| Arkansas..... | 5,459 | 7,953 | New Mexico..... | 2,320 | 2,497 |
| California..... | 2,738 | 3,114 | New York..... | 15,036 | 17,789 |
| Colorado..... | 7,880 | 9,111 | North Carolina..... | 52,899 | 56,680 |
| Connecticut..... | 90 | 278 | North Dakota..... | 19,853 | 37,082 |
| Delaware..... | 1,783 | 1,253 | Ohio..... | 59,817 | 47,777 |
| Florida..... | 4,529 | 5,206 | Oklahoma..... | 22,212 | 26,464 |
| Georgia..... | 13,727 | 27,893 | Oregon..... | 1,104 | 2,976 |
| Hawaii..... | | | Pennsylvania..... | 14,565 | 19,140 |
| Idaho..... | 483 | 3,746 | Puerto Rico..... | | |
| Illinois..... | 100,856 | 85,221 | Rhode Island..... | 1 | 5 |
| Indiana..... | 65,683 | 63,605 | South Carolina..... | 17,554 | 21,160 |
| Iowa..... | 106,748 | 118,747 | South Dakota..... | 29,668 | 33,266 |
| Kansas..... | 82,936 | 66,414 | Tennessee..... | 35,675 | 45,930 |
| Kentucky..... | 39,705 | 43,648 | Texas..... | 77,334 | 79,198 |
| Louisiana..... | 5,213 | 7,414 | Utah..... | 690 | 2,606 |
| Maine..... | 39 | 131 | Vermont..... | 85 | 221 |
| Maryland..... | 4,107 | 3,751 | Virginia..... | 14,756 | 20,580 |
| Massachusetts..... | 12 | 102 | Virgin Islands..... | | |
| Michigan..... | 33,806 | 33,307 | Washington..... | 1,097 | 2,712 |
| Minnesota..... | 63,134 | 84,983 | West Virginia..... | 880 | 4,280 |
| Mississippi..... | 17,763 | 25,208 | Wisconsin..... | 32,669 | 48,217 |
| Missouri..... | 81,253 | 76,883 | Wyoming..... | 516 | 906 |
| Montana..... | 1,654 | 6,625 | | | |
| Nebraska..... | 75,473 | 74,965 | Total..... | 1,146,388 | 1,255,658 |

¹ 1962 number of farms not shown because barley was a separate program. The estimated number of participating farms with corn and grain sorghum base acreage totaled 1,221,807 and barley 119,794.

TABLE 6.—*Preliminary enrollment in the 1963 feed grain program—Base acreage on 1961 and 1962 participating farms and on 1963 enrolled farms*

| State | Base acreage on participating or enrolled farms | | | Portion base acreage on participating farms is of base acreage on all farms | | |
|---------------------|---|--------------------|-----------------|---|---------|---------|
| | 1961 | 1962 (preliminary) | 1963 (enrolled) | 1961 | 1962 | 1963 |
| | Thousand acre | Thousand acre | Thousand acre | Percent | Percent | Percent |
| Alabama..... | 798.9 | 983.2 | 911.4 | 38.8 | 46.9 | 40.3 |
| Alaska..... | | | | | | |
| Arizona..... | 129.5 | 209.1 | 159.6 | 57.6 | 56.7 | 42.6 |
| Arkansas..... | 150.0 | 183.8 | 171.2 | 30.2 | 39.1 | 28.6 |
| California..... | 259.5 | 967.9 | 869.5 | 61.9 | 49.4 | 35.6 |
| Colorado..... | 845.2 | 933.3 | 1,106.1 | 69.6 | 48.4 | 45.3 |
| Connecticut..... | 1.9 | 3.2 | 5.2 | 4.5 | 9.4 | 14.9 |
| Delaware..... | 74.2 | 68.5 | 55.1 | 47.2 | 39.3 | 30.2 |
| Florida..... | 274.0 | 338.4 | 310.8 | 42.9 | 55.8 | 43.2 |
| Georgia..... | 757.1 | 1,216.3 | 1,290.1 | 25.7 | 43.4 | 40.4 |
| Hawaii..... | | | | | | |
| Idaho..... | 11.4 | 213.5 | 286.0 | 13.6 | 30.0 | 35.0 |
| Illinois..... | 6,219.2 | 5,917.4 | 5,863.7 | 57.3 | 54.5 | 53.4 |
| Indiana..... | 2,981.9 | 2,800.1 | 2,964.9 | 54.2 | 49.7 | 51.6 |
| Iowa..... | 8,486.1 | 8,951.9 | 9,446.0 | 64.4 | 67.3 | 69.9 |
| Kansas..... | 6,284.8 | 5,092.1 | 5,627.5 | 80.0 | 58.3 | 59.4 |
| Kentucky..... | 967.6 | 938.0 | 1,148.5 | 51.2 | 49.9 | 57.5 |
| Louisiana..... | 139.9 | 201.1 | 156.6 | 24.7 | 45.1 | 31.4 |
| Maine..... | .5 | .8 | 1.3 | 4.3 | 8.0 | 12.3 |
| Maryland..... | 161.0 | 145.1 | 147.1 | 30.8 | 24.1 | 23.7 |
| Massachusetts..... | .2 | .4 | 1.7 | .7 | 1.5 | 7.9 |
| Michigan..... | 961.9 | 1,008.2 | 964.6 | 41.5 | 45.5 | 41.2 |
| Minnesota..... | 4,334.3 | 4,778.9 | 6,154.3 | 60.7 | 57.9 | 71.8 |
| Mississippi..... | 459.5 | 622.6 | 587.4 | 31.8 | 47.9 | 42.1 |
| Missouri..... | 3,963.0 | 3,823.7 | 3,894.4 | 73.6 | 67.9 | 65.9 |
| Montana..... | 82.9 | 386.1 | 1,148.7 | 75.2 | 18.8 | 52.0 |
| Nebraska..... | 7,286.6 | 6,892.5 | 7,483.3 | 80.3 | 72.3 | 75.7 |
| Nevada..... | 1.3 | 1.4 | 3.0 | 23.7 | 7.5 | 14.4 |
| New Hampshire..... | 0 | 0 | .2 | 0 | 0 | 2.0 |
| New Jersey..... | 67.9 | 81.9 | 90.7 | 36.1 | 44.0 | 45.0 |
| New Mexico..... | 294.0 | 317.5 | 385.6 | 69.8 | 68.5 | 45.3 |
| New York..... | 295.1 | 284.6 | 339.9 | 44.5 | 40.5 | 44.9 |
| North Carolina..... | 976.4 | 1,159.1 | 1,016.9 | 44.9 | 52.9 | 44.6 |
| North Dakota..... | 902.0 | 2,685.8 | 3,969.7 | 64.9 | 48.0 | 64.9 |
| Ohio..... | 1,948.3 | 1,613.6 | 1,698.8 | 47.3 | 41.5 | 42.7 |
| Oklahoma..... | 1,020.9 | 1,075.2 | 1,383.5 | 58.2 | 42.3 | 44.4 |
| Oregon..... | 26.1 | 240.0 | 224.5 | 39.9 | 41.1 | 35.5 |
| Pennsylvania..... | 266.0 | 295.7 | 325.7 | 20.5 | 20.8 | 21.7 |
| Puerto Rico..... | | | | | | |
| Rhode Island..... | (1) | 1 | .1 | .8 | 1.3 | 2.7 |
| South Carolina..... | 398.6 | 509.3 | 474.3 | 39.2 | 55.0 | 43.7 |
| South Dakota..... | 2,622.1 | 2,466.4 | 3,333.1 | 55.5 | 45.7 | 57.1 |
| Tennessee..... | 751.9 | 875.7 | 896.7 | 43.6 | 53.0 | 49.8 |
| Texas..... | 6,912.0 | 7,556.1 | 7,772.1 | 69.6 | 70.2 | 63.2 |
| Utah..... | 11.4 | 55.5 | 83.4 | 22.0 | 26.9 | 33.5 |
| Vermont..... | 1.4 | 1.6 | 3.5 | 2.4 | 3.3 | 6.9 |
| Virginia..... | 235.4 | 326.0 | 319.3 | 28.3 | 36.0 | 34.5 |
| Virgin Islands..... | | | | | | |
| Washington..... | 40.0 | 201.9 | 261.8 | 41.0 | 24.8 | 29.7 |
| West Virginia..... | 14.9 | 24.1 | 40.0 | 10.0 | 17.3 | 33.8 |
| Wisconsin..... | 1,161.5 | 1,689.3 | 1,562.3 | 38.8 | 55.5 | 49.0 |
| Wyoming..... | 26.5 | 47.9 | 69.4 | 40.0 | 24.4 | 31.0 |
| Total..... | 63,604.8 | 68,184.8 | 75,009.5 | 59.0 | 55.3 | 56.7 |

1 50 acres or less

TABLE 7.—*Preliminary enrollment in the 1963 feed grain program—Acreage to be diverted on 1961 and 1962 participating farms and on 1963 enrolled farms*

| State | Diverted acreage | | | Portion of base on participating farms diverted for payment | | |
|---------------------|--------------------|--------------------|--------------------|---|--------------------------|-------------------------|
| | 1961 | 1962 preliminary | 1963 intentions | 1961 program | 1962 program preliminary | 1963 program intentions |
| | <i>1,000 acres</i> | <i>1,000 acres</i> | <i>1,000 acres</i> | <i>Percent</i> | <i>Percent</i> | <i>Percent</i> |
| Alabama..... | 413.7 | 565.7 | 531.9 | 51.8 | 57.5 | 58.4 |
| Alaska..... | | | | | | |
| Arizona..... | 56.4 | 86.7 | 59.2 | 43.6 | 41.5 | 37.1 |
| Arkansas..... | 87.2 | 113.3 | 113.3 | 58.1 | 61.6 | 66.2 |
| California..... | 102.1 | 346.0 | 313.4 | 39.3 | 35.7 | 36.0 |
| Colorado..... | 332.2 | 383.1 | 363.0 | 39.3 | 41.0 | 32.8 |
| Connecticut..... | 1.0 | 1.8 | 3.3 | 53.7 | 56.2 | 64.3 |
| Delaware..... | 36.9 | 36.1 | 27.2 | 49.7 | 52.7 | 49.4 |
| Florida..... | 117.4 | 161.5 | 143.2 | 42.8 | 47.7 | 46.1 |
| Georgia..... | 310.8 | 571.7 | 653.6 | 41.0 | 47.0 | 50.7 |
| Hawaii..... | | | | | | |
| Idaho..... | 6.7 | 87.8 | 103.3 | 58.9 | 41.1 | 36.1 |
| Illinois..... | 2,105.1 | 2,043.0 | 1,642.9 | 33.8 | 34.5 | 28.0 |
| Indiana..... | 1,326.5 | 1,308.2 | 1,120.8 | 44.5 | 46.7 | 37.8 |
| Iowa..... | 2,784.4 | 3,119.9 | 2,458.3 | 32.8 | 34.9 | 26.0 |
| Kansas..... | 2,457.6 | 1,987.9 | 1,775.5 | 39.1 | 39.0 | 31.5 |
| Kentucky..... | 567.2 | 594.7 | 579.6 | 58.6 | 63.4 | 50.5 |
| Louisiana..... | 75.2 | 116.7 | 98.9 | 53.7 | 58.0 | 63.1 |
| Maine..... | .3 | .5 | 1.1 | 64.0 | 6.2 | 81.7 |
| Maryland..... | 77.4 | 78.3 | 68.4 | 48.1 | 54.0 | 46.5 |
| Massachusetts..... | .2 | .3 | 1.1 | 90.9 | 75.0 | 64.4 |
| Michigan..... | 531.5 | 598.2 | 509.3 | 55.3 | 59.3 | 52.8 |
| Minnesota..... | 1,519.3 | 1,873.7 | 1,713.0 | 35.1 | 39.2 | 27.8 |
| Mississippi..... | 231.4 | 352.6 | 353.0 | 59.4 | 56.6 | 60.1 |
| Missouri..... | 1,930.5 | 1,897.8 | 1,648.2 | 48.7 | 49.6 | 42.3 |
| Montana..... | 39.9 | 144.9 | 321.3 | 48.1 | 37.5 | 28.0 |
| Nebraska..... | 2,312.6 | 2,296.5 | 2,217.9 | 31.7 | 33.3 | 29.6 |
| Nevada..... | .8 | .8 | 1.5 | 63.2 | 57.1 | 50.4 |
| New Hampshire..... | 0 | 0 | .1 | | | 79.4 |
| New Jersey..... | 37.4 | 48.6 | 50.5 | 55.1 | 59.3 | 55.6 |
| New Mexico..... | 106.1 | 123.6 | 131.2 | 36.1 | 38.9 | 34.0 |
| New York..... | 172.5 | 177.5 | 193.0 | 58.5 | 62.4 | 56.8 |
| North Carolina..... | 519.2 | 775.4 | 587.8 | 53.2 | 66.9 | 57.8 |
| North Dakota..... | 406.6 | 1,318.0 | 1,049.8 | 45.1 | 49.1 | 26.4 |
| Ohio..... | 995.4 | 867.2 | 700.7 | 51.1 | 53.7 | 41.2 |
| Oklahoma..... | 504.9 | 577.9 | 651.5 | 49.5 | 53.7 | 47.1 |
| Oregon..... | 15.3 | 95.1 | 80.9 | 58.5 | 39.6 | 36.0 |
| Pennsylvania..... | 159.6 | 198.2 | 207.6 | 60.0 | 67.0 | 63.8 |
| Puerto Rico..... | | | | | | |
| Rhode Island..... | (1) | (1) | .1 | 61.2 | 40.0 | 61.2 |
| South Carolina..... | 199.9 | 297.6 | 271.8 | 50.1 | 58.4 | 57.3 |
| South Dakota..... | 887.8 | 873.0 | 829.9 | 33.9 | 35.4 | 24.9 |
| Tennessee..... | 448.6 | 583.5 | 585.7 | 59.7 | 66.6 | 65.3 |
| Texas..... | 2,612.5 | 2,984.8 | 2,574.2 | 37.8 | 39.5 | 38.1 |
| Utah..... | 7.4 | 29.7 | 44.1 | 65.1 | 53.5 | 52.9 |
| Vermont..... | .9 | 1.2 | 2.7 | 63.2 | 75.0 | 79.3 |
| Virginia..... | 127.3 | 201.6 | 186.9 | 54.1 | 61.8 | 58.5 |
| Virgin Islands..... | | | | | | |
| Washington..... | 19.1 | 76.6 | 85.6 | 48.0 | 37.9 | 32.7 |
| West Virginia..... | 8.9 | 16.1 | 28.1 | 59.9 | 66.8 | 70.4 |
| Wisconsin..... | 549.1 | 610.7 | 683.3 | 47.3 | 36.2 | 43.7 |
| Wyoming..... | 12.3 | 21.4 | 27.6 | 46.5 | 44.7 | 40.0 |
| Total..... | 25,215.1 | 28,645.4 | 25,795.3 | 39.6 | 42.0 | 34.4 |

(1) 150 acres or less.

TABLE 8.—*Estimated savings resulting from feed grain programs*

[In millions of dollars]

| Element of cost | Corn | Grain sorghums | Total, corn, and grain sorghums | Barley | Total 3 feed |
|--|-------|----------------|---------------------------------|--------|--------------|
| 1961 program: | | | | | |
| Acquisition costs avoided..... | 299 | 57 | 356 | ----- | 356 |
| Carrying costs avoided (storage, handling, transportation and interest)..... | 827 | 232 | 1,059 | ----- | 1,059 |
| Land retirement payments..... | -645 | -137 | -782 | ----- | -782 |
| Administrative expenses..... | -34 | -8 | -42 | ----- | -42 |
| Net savings..... | 447 | 144 | 591 | ----- | 591 |
| 1962 program: | | | | | |
| Acquisition costs avoided..... | 360 | 47 | 407 | 10 | 417 |
| Carrying costs avoided (storage, handling, transportation and interest)..... | 904 | 171 | 1,075 | 13 | 1,088 |
| Land retirement payments..... | -675 | -129 | -804 | -38 | -842 |
| Administrative expenses..... | -20 | -6 | -26 | -3 | -29 |
| Net savings..... | 569 | 83 | 652 | -18 | 634 |
| 1963 program: | | | | | |
| Acquisition costs avoided..... | 289 | 43 | 332 | 10 | 342 |
| Carrying costs avoided (storage, handling, transportation and interest)..... | 612 | 140 | 752 | 9 | 761 |
| Land retirement payments..... | -410 | -63 | -473 | -23 | -496 |
| Price support payments..... | -384 | -73 | -457 | -30 | -487 |
| Administrative expenses..... | -21 | -6 | -27 | -3 | -30 |
| Net savings..... | 86 | 41 | 127 | -37 | 90 |
| Estimated net savings 1961-63 programs..... | 1,102 | 268 | 1,370 | -55 | 1,315 |

NOTE.—Assumptions used for each element of cost:

1. Acquisition costs avoided: The difference in total carryout with a feed grain program was subtracted from total carryout without a feed grain program. This difference was priced at the old price support rate less a salvage value of 50 percent to determine net acquisition costs avoided. The acquisitions avoided used to arrive at above costs were:

[Million bushels]

| | Corn | Sorghums | Barley | Total |
|-------------------|------|----------|--------|-------|
| 1961 program..... | 570 | 134 | ----- | 704 |
| 1962 program..... | 685 | 110 | 25 | 820 |
| 1963 program..... | 550 | 100 | 25 | 675 |

2. Carrying costs avoided: Carrying costs for storage, transportation, and in-and-out charges were computed to ultimate disposition for acquisitions avoided. Number of years estimated to dispose of acquisitions avoided were:

| | Corn | Sorghums | Barley |
|-------------------|------|----------|--------|
| 1961 program..... | 9 | 9 | ----- |
| 1962 program..... | 8 | 8 | 2 |
| 1963 program..... | 6.5 | 7 | 1 |

3. Interest savings: Net savings in interest expenses were computed for number of years estimated to dispose of acquisitions avoided. This includes interest savings on acquisition costs and carrying charges less additional interest expense for land retirement payments and other operating costs.

4. Land retirement payments: Estimates for advance and final payments to producers for reducing 1961 acreages of corn and grain sorghums and 1962 and 1963 acreages of corn, grain sorghums and barley.

5. Administrative expenses: This includes printing costs and estimates for the operation of the feed grain program at the National, State and county level.

TABLE 9.—Provisions of the 1963 feed grain program compared with the 1961 and 1962 programs

| Item | 1961 program, price-support loan | 1962 program, price-support loan | 1963 program | | |
|---|---|--|---|-----------------------|---------------|
| | | | Price-support loan | Price-support payment | Total support |
| Price support: | | | | | |
| Corn (per bushel)..... | \$1.20..... | \$1.20..... | \$1.07..... | \$0.18..... | \$1.25..... |
| Oats (per bushel)..... | \$0.62..... | \$0.62..... | \$0.66..... | ----- | \$0.66..... |
| Barley (per bushel)..... | \$0.93..... | \$0.93..... | \$0.82..... | ----- | \$0.96..... |
| Grain sorghum (per hundredweight)..... | \$1.93..... | \$1.93..... | \$1.71..... | \$0.29..... | \$2..... |
| Price-support payments..... | None..... | None..... | Price-support payment shown above times normal production on the total acreage planted for harvest in 1963. | | |
| Acreage diversion: | | | | | |
| Grains included..... | Corn, grain sorghum..... | Corn, grain sorghum, and barley..... | Corn, grain sorghum, and barley. | | |
| Base period..... | 1959 and 1960..... | 1959 and 1960..... | 1959 and 1960. | | |
| Acreage to be diverted: | | | | | |
| Minimum ¹ | 20 percent of base..... | 20 percent of base..... | 20 percent of base. | | |
| Maximum ² | 40 percent of base..... | 40 percent of base..... | 40 percent of base. | | |
| Payment rates for acreage diversion..... | County support rate times— | County support rate times— | County support rate times— | | |
| 1st 20 percent diverted..... | 50 percent of normal production..... | 50 percent of normal production..... | 20 percent of normal production. | | |
| Diversion of 20 to 40 percent..... | 60 percent of normal production..... | 60 percent of normal production..... | 50 percent of normal production. | | |
| Small producer, 25 acres of feed grains or less..... | May divert entire acreage. Payment based on 50 percent of production on 1st 20 percent diverted; 60 percent for 20 to 40 percent; 50 percent for diversion over 40 percent. | May divert entire acreage. Payment based on 50 percent of production on 1st 20 percent; 60 percent for 20 to 40 percent; 50 percent for diversion over 40 percent. | May divert entire acreage. Payment for entire acreage based on 50 percent of production. | | |
| Production eligible for price support..... | Normal production on acreage grown ³ | Normal production on acreage grown ³ | Price-support loan on total production. | | |
| CCC domestic sales price to redeem certificates for acreage diversion payments..... | Current market price with allowance for seasonal variation. | Current market price with allowance for seasonal variation. | Price-support payment on normal production. ³ | | |
| | | | Not less than the loan rate (\$1.07 per bushel for corn) with allowance for seasonal variation. | | |

¹ Minimum diversion to be eligible for diversion payments and price support.² Maximum acreage that can be diverted for payment.³ Based on 1959 and 1960 average yields.

SECTION-BY-SECTION ANALYSIS

Section 1 short title.—Section 1 of the bill provides that the Act may be cited as the “Feed Grain Act of 1963.”

Section 2. Price support on feed grains for the 1964 and 1965 crops.—Section 2 of the bill amends section 105 of the Agricultural Act of 1949, as amended, to provide that, for the 1964 and 1965 crops, an acreage diversion program is in effect for feed grains, price support for corn of such crop shall be at such level not less than 65 percent or more than 90 percent of the parity price therefor as the Secretary determines necessary to achieve the acreage reduction goal established by him for the crop. Section 2 adds a new subsection (d) to section 105 under which the Secretary shall require as a condition of eligibility for price support on the crop of any feed grain included in the acreage diversion program in effect under section 16(h) of the Soil Conservation and Domestic Allotment Act, as amended, that the producer shall participate in the program to the extent the Secretary prescribes. (If no diversion program is in effect for 1964 or 1965, he may require as a condition of eligibility for price support on such crop of feed grains that the producer shall not exceed his feed grain base.) The Secretary shall make available to producers through payments in kind such portion of the price support for any feed grain included in the acreage diversion program as he determines desirable to assure that price support and diversion program benefits inure primarily to producers who cooperate in reducing their feed grain acreage. Such payments in kind shall be made on the number of bushels of such feed grain determined by multiplying the actual acreage planted on the farm for harvest by the adjusted average yield per acre. The base period for determining such adjusted average yield shall be the same as used for purposes of the acreage diversion program. Not to exceed 50 percent of such payments may be made to producers in advance of performance. Such payments in kind shall be made through the issuance of negotiable certificates which shall be redeemed for feed grains by the Commodity Credit Corporation. Commodity Credit Corporation shall assist the producer in the marketing of such certificates. Feed grains with which Commodity Credit Corporation redeems the negotiable certificates shall be valued at not less than the current support price minus that part of the current price made available through payments in kind, plus reasonable carrying charges. If a certificate is not presented for redemption within 30 days of its issuance, reasonable costs of storage and other carrying charges may be deducted from the value of the certificate. Producers on the farm would share in the certificates on the basis of their respective shares in the crop produced on the farm with respect to which the certificates are issued. Participating producers would lose price support if they failed to divert under the diversion program in accordance with their agreement.

The bill contains authority allowing the Secretary to provide that malting barley producers may plant 110 percent of their 1959–60 barley acres to an acceptable variety of malting barley and still receive price support for barley if they do not devote an acreage on the farms to corn and grain sorghums in excess of the average acreage devoted on the farms to corn and grain sorghums in 1959–60. The provision is not applicable to malting barley producers who substitute wheat

for oats and rye pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962.

Section 3. Special feed grain program for 1964 and 1965.—Section 3 of the bill amends section 16 of the Soil Conservation and Domestic Allotment Act to provide that for the 1964 and 1965 crops, the Secretary may, if he determines that the total supply of feed grains will likely be excessive in the absence of an acreage diversion program, formulate a feed grain program under which payments shall be made to producers who divert acreage from the production of feed grains to an approved conservation use and increase their average acreage devoted in 1959 and 1960 to designated soil-conserving crops or practices, including summer fallow and idle land, by an equal amount. Such payments shall be made in kind in an amount not in excess of 50 percent of the estimated basic county support rate, including that part of the support price made available through payments in kind, on the normal production diverted from the commodity based on its adjusted average yield per acre. The base period for the purpose of determining the adjusted average yield for payments for the 1964 crop shall be the 4-year period 1959–62 and for payments for the 1965 crop shall be the 5-year period 1959–63.

The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, and flax, when such crops are not in surplus supply, subject to the condition that no price support shall be made available for the production of such crop and payment for such acreage shall be at a rate determined by the Secretary to be fair and reasonable not to exceed one-half the regular rate.

The term “feed grains” under the bill means corn, grain sorghums, and barley. The term “feed grains” also includes oats and rye if the producers on a wheat farm so request, in which case the diversion program shall be applicable to oats and rye and the producers could, if they desired, utilize such acreages for the purpose of having acreage devoted to the production of wheat considered as devoted to the production of feed grains pursuant to section 328 of the Food and Agriculture Act of 1962. However, permitted acreages of oats and rye under the diversion program may not be planted to corn, grain sorghums, and barley.

The acreage eligible for participation in the program shall be such acreage as the Secretary determines necessary to achieve the acreage reduction goal for the crop but not in excess of 50 percent of the average acreage on the farm devoted to feed grains in 1959 and 1960 or 25 acres, whichever is greater.

The average acreage of wheat produced on the farm in 1959, 1960, and 1961, pursuant to the exemption in section 335(f) of the Agricultural Adjustment Act of 1938 prior to its repeal, in excess of the small farm base for wheat established under section 335 will be considered as an acreage of feed grains for purposes of establishing the feed grain base and the rate of payment for diverting such acreage shall be established in a fair and reasonable amount in relation to the rates of payment for diverting feed grains.

The bill contains authority allowing the Secretary to provide that malting barley producers can plant 110 percent of their 1959–60 barley acres to an acceptable variety of malting barley and still participate in the program for corn and grain sorghums.

Not to exceed 1 percent of the estimated total feed grain bases for all farms in the State for any year may be reserved for apportionment to farms with no 1959 and 1960 history on the basis of specified criteria. Farms on which feed grain bases are established from this reserve shall be ineligible for payments for the first year the base is established.

The Secretary may make adjustments in acreages and yields as he determines necessary to correct for abnormal factors affecting production and to give due consideration to tillable acreage, crop-rotation practices, type of soil, soil and water conservation measures, and topography. If the producer proves the actual acreages and yields for the farm, such acreages and yields shall be used in making determinations.

The Secretary may make not to exceed 50 percent of any payments to producers in advance of determination of performance.

Payments are to be shared among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

The bill provides that payments in kind are to be made through the issuance of negotiable certificates redeemable by the Commodity Credit Corporation for feed grains. Commodity Credit Corporation will assist the producer in the marketing of such certificates. Feed grains with which Commodity Credit Corporation redeems the negotiable certificates shall be valued at not less than the current support price minus that part of the current support price made available through payments in kind, plus reasonable carrying charges. If a certificate is not presented for redemption within 30 days of its issuance, reasonable costs of storage and other carrying charges may be deducted from the value of the certificate.

Under the terms of the bill, the Secretary could, by mutual agreement with the producer, modify, or terminate any agreement previously entered into if he determines such action is necessary because of an emergency created by drought or other disaster to alleviate a shortage in the supply of feed grains.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

AGRICULTURAL ACT OF 1949, AS AMENDED

* * * * *

SEC. 105. (a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop, price support shall be made available to producers for each crop of corn at such level, not less than 50 per centum or more than 90 per centum of the parity price therefor, as the Secretary determines will not result in increasing Commodity Credit Corporation stocks of corn[:] *Provided, That in the case of any crop for which an acreage diversion program is in effect for feed grains, the level of price support for corn of such crop shall be at such level not less than 65 per centum or more than 90 per centum of the parity price*

therefor as the Secretary determines necessary to achieve the acreage reduction goal established by him for the crop.

* * * * *

(d) The provisions of this subsection shall be applicable with respect to the 1964 crop and 1965 crop of feed grains if an acreage diversion program is in effect under section 16(h) of the Soil Conservation and Domestic Allotment Act, as amended. The Secretary shall require as a condition of eligibility for price support on the crop of any feed grain which is included in the acreage diversion program that the producer shall participate in the diversion program to the extent prescribed by the Secretary, and, if no diversion program is in effect for the 1964 crop or the 1965 crop, he may require as a condition of eligibility for price support on such crop of feed grains that the producer shall not exceed his feed grain base: Provided, That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the acreage diversion program for feed grains if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960, and does not devote any acreage devoted to the production of oats and rye in 1959 and 1960 to the production of wheat pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962. Such portion of the support price for any feed grain included in the acreage diversion program as the Secretary determines desirable to assure that the benefits of the price support and diversion programs inure primarily to those producers who cooperate in reducing their acreages of feed grains shall be made available to producers through payments in kind. Such payments in kind shall be made on the number of bushels of such feed grain determined by multiplying the actual acreage of such feed grain planted on the farm for harvest by the adjusted average yield per acre. The base period used in determining such adjusted average yield shall be the same as that used for purposes of the acreage diversion program formulated under section 16(h) of the Soil Conservation and Domestic Allotment Act, as amended. The Secretary may make not to exceed 50 per centum of any payments hereunder to producers in advance of determination of performance. Such payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains (such feed grains to be valued by the Secretary at not less than the current support price minus that part of the current support price made available through payments in kind, plus reasonable carrying charges) and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. The Secretary shall provide for the sharing of such certificates among the

producers on the farm on the basis of their respective shares in the crop produced on the farm with respect to which such certificates are issued or the proceeds therefrom. If the operator of the farm elects to participate in the acreage diversion program, price support for feed grains included in the program shall be made available to the producers on such farm only if such producers divert from the production of such feed grains in accordance with the provisions of such program an acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide.

SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT, AS AMENDED

* * * * *

SEC. 16. * * *

* * * * *

(h) Notwithstanding any other provision of law—

(1) For the 1964 crop and the 1965 crop of feed grains, if the Secretary determines that the total supply of feed grains will, in the absence of an acreage diversion program, likely be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet any national emergency, he may formulate and carry out an acreage diversion program for feed grains, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of feed grains to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conserving crops or practices including summer fallow and idle land by an equal amount. Payments shall not be made in amounts in excess of 50 per centum of the estimated basic county support rate, including that part of the support price made available through payments in kind, on the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre. Notwithstanding the foregoing provisions, the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses, and no price support shall be made available for the production of any such crop on such diverted acreage. The base period for the purpose of determining the adjusted average yield in the case of payments with respect to the 1964 crop shall be the four-year period 1959-1962, and in the case of payments with respect to the 1965 crop shall be the five-year period 1959-1963. The term "feed grains" means

corn, grain sorghums, barley, and, if for any crop the producer so requests for purposes of having acreage devoted to the production of wheat considered as devoted to the production of feed grains, pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962, the term "feed grains" shall include oats and rye: Provided, That acreages of corn, grain sorghums, and barley shall not be planted in lieu of acreages of oats and rye: Provided further, That the acreage devoted to the production of wheat shall not be considered as an acreage of feed grains for purposes of establishing the feed grain base acreage for the farm for subsequent crops. Such feed grain diversion program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The acreage eligible for participation in the program shall be such acreage (not to exceed 50 per centum of the average acreage on the farm devoted to feed grains in the crop years 1959 and 1960 or twenty-five acres, whichever is greater) as the Secretary determines necessary to achieve the acreage reduction goal for the crop. Payments shall be made in kind. The average acreage of wheat produced on the farm during the crop years 1959, 1960, and 1961, pursuant to the exemption provided in section 335(f) of the Agricultural Adjustment Act of 1938, prior to its repeal by the Food and Agriculture Act of 1962, in excess of the small farm base acreage for wheat established under section 335 of the Agricultural Adjustment Act of 1938, as amended, shall be considered as an acreage of feed grains produced in the crop years of 1959 and 1960 for purposes of establishing the feed grain base acreage for the farm, and the rate of payment for diverting such wheat shall be an amount determined by the Secretary to be fair and reasonable in relation to the rates of payment for diverting feed grains. The Secretary may make such adjustments in acreage and yields as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual acreages and yields for the farm, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. Notwithstanding any other provision of this subsection (h)(1), barley shall not be included in the program for a producer of malting barley exempted pursuant to section 105(d) of the Agricultural Act of 1949 who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

(2) Notwithstanding any other provision of this subsection, not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: Suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming from his livelihood, the production of feed grains on other

farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this subsection except that producers on such farm shall not be eligible for conservation payments for the first year for which the feed grain base is established.

(3) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(h). Obligations may be incurred in advance of appropriations therefore and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1964, and to pay such costs as may be incurred in carrying out paragraph (4) of this subsection.

(4) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

(5) Payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. Feed grains with which Commodity Credit Corporation redeems certificates pursuant to this paragraph shall be valued at not less than the current support price, minus that part of the current support price made available through payments in kind, plus reasonable carrying charges.

(6) Notwithstanding any other provision of law, the Secretary may, by mutual agreement with the producer, terminate or modify any agreement previously entered into pursuant to this subsection if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of feed grains.

FOOD AND AGRICULTURE ACT OF 1962, AS AMENDED

* * * * *

SEC. 326. Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of subsections (c), (d), [and] (g) and (h) of section 16 of the Soil Conservation and Domestic Allotment Act, as amended, or of section 307 of the Food and Agriculture Act of 1962, section 339 of the Agricultural Act of 1938, as amended, or of section 124 of the Agricultural Act of 1961, and payment may be made therefor in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment.

MINORITY REPORT

I. GENERAL STATEMENT

We vigorously oppose the enactment of H.R. 4997 by the House of Representatives at this time for two basic reasons—first, because it is premature, and, second, because it lodges entirely too much discretion in the hands of the Secretary of Agriculture.

A premature bill

This bill is, we submit, premature and ill-timed for the feed grain farmer, the wheat farmer, and the Congress.

Do feed grain farmers need feed grain legislation now?

It is premature for the feed grain farmer because it applies to the 1964 and 1965 crops. Legislation applicable to the current 1963 crop is now in effect, so there is obviously no urgency or necessity for the enactment of feed grain legislation for 1964 at a time when the 1963 crop is just being planted. Enactment of a 1964 feed grain program in June, July, or August of 1963 would give all feed grain farmers (including winter barley growers) an ample opportunity to make their plans for next year.

Do wheat farmers need feed grain legislation now?

H.R. 4997 is premature for wheat farmers because the President, the Secretary of Agriculture, and administration spokesmen in Congress have all threatened that there would be no further legislative action on wheat during this session of Congress if wheat farmers voted "wrong" in the referendum. At the same time, the administration apparently is highly desirous to obtain feed grain legislation this year to prevent its scheduled 80-cent corn program from going into effect. It is therefore apparent that from the standpoint of the wheat farmer the enactment of feed grain legislation at this time would present a serious obstacle in any later effort to enact remedial legislation to offset the effect of a "no" vote in the upcoming wheat referendum.

While we realize that it may be the intent of the proponents of the certificate wheat plan to force this choice on wheat farmers, we deplore the use of such heavy-handed tactics on the producers of this vital crop. It seems to us that an administration which came to power professing a belief in "parity of income" would be more considerate of the economic interests of the wheat farmer, especially at a time when the parity ratio hit its lowest level since 1959 (March 1963 parity ratio was 77, according to the U.S. Department of Agriculture) and farm costs are at an alltime high.

Should Congress act now?

This bill is premature for the Congress because, we submit, it is much sounder legislative practice for Congress to act on facts, not hopes.

On May 21, 1963, the Nation and the Congress will know whether wheat farmers voted "yes" or "no" on the certificate wheat plan. There will be two distinct sets of economic and legislative circumstances in the event of either a "yes" or a "no" vote.

There are, of course, many uncertainties over the outcome of the referendum this year. Some 1.2 million small wheat farmers will for the first time in the history of the wheat program be eligible to vote in the referendum. No one knows how many of them will register and qualify to vote, or how many will actually vote and how they will vote. Nor does anyone know how many more larger growers will turn out at the wheat polls this year now that there is an active interest in the outcome of the referendum.

Nor does anyone know the effect that various farm organization activities for and against the referendum will have. And finally, the degree of farmer resentment against the Secretary of Agriculture's propaganda campaign in behalf of a "yes" vote in the referendum while professing a pious detachment concerning the outcome is but another of the multitude of factors affecting the decision to be rendered on May 21, 1963.

Because of this great controversy over the wheat referendum, we submit that Congress should wait until May to legislate on feed grains so that the problem can be faced intelligently from the standpoint of how the situation really is, and not how some people would like it to be.

Why then is there a feed grain bill now?

There is, we contend, a dual motive behind the administration effort to force this premature action on feed grains. First, it is hoped that this bill will provide a "political sweetener" for the wheat farmers wavering between a "yes" and "no" vote and second, it is designed to show these same uncommitted growers of wheat that their chances of a remedy to Mr. Freeman's alternate plan of "\$1.00 and chaos" are nil.

This carrot-and-stick approach by the Federal Government is, we feel, most inappropriate under the circumstances and is an attitude which the House should not endorse.

Too much discretion

This bill grants the Secretary entirely too much discretionary power. Specific provisions which we feel should be either modified or deleted are as follows:

1. *Proportion of support to be made up by direct payments.*—Under the 1963 program, the feed grain law specifically provides an 18-cent direct payment. Under H.R. 4997 this direct payment is left to the discretion of the Secretary. This means that he could set the loan level as high or as low as he desires, thus enabling him to manipulate the market price to almost any level he wishes. It is also apparent that the more that direct or compensatory payments are used, the more the danger exists that these payments will be used to make farmers dependent on annual congressional action for a significant portion of their income and this, we submit, is basically unsound.

2. *Percentage of acreage and rates reduction.*—Under the 1963 program feed grain farmers are required to reduce their plantings by 20 percent in order to be eligible for price support and diversion payments. H.R. 4997 allows the Secretary to set both the diversion percentage and rate. This authority we submit is too broad, because

the Secretary could set only a minimal participation percentage for diversion and thus adversely affect participants.

3. *Direct payments discourage maximum participation.*—Under the 1963 program the farmer who participated by only the minimum amount required, all other things being equal, will benefit more than growers who participate to the maximum extent possible. This is true because of the fact that the 18-cent payment is lost on every additional acre idled. Under H.R. 4997, the Secretary could set a very low requirement for a percentage of participation. This would mean that the least productive land from a great number of participants would come into the program. Maximum participation in the program by those farmers who do choose to participate would therefore be discouraged. This self-defeating provision should be modified to improve the effectiveness of the program.

II. CHANGES FROM 1963 PROGRAM

H.R. 4997 is basically a 2-year extension of the 1963 feed grain program with the following major changes:

1. The Secretary is given discretion to set the direct payment and the loan at any combination that will result in a level of support from 65 to 90 percent of parity.

2. The Secretary is given discretion to set the percentage of diversion required in order for the producer to qualify for price support (up to 50 percent).

3. Adds a provision whereby "new producers" (i.e., those farmers who for some reason did not plant feed grains in the 1959-60 period) could obtain a feed grain base and, after 1 year, receive diversion payments and price support.

4. Allows under certain circumstances the interchange of wheat and oats and rye acreages.

5. Changes the basic price support law to require as a condition of eligibility for price support in the event that no acreage diversion program is in effect that the producer comply with the farm base acreage.

6. Limits both direct and diversion payments to payment in kind. Farmers could, however, continue to receive cash in lieu of the actual grain.

7. Adds mustard seed as one of the crops which may be grown under certain circumstances on the acreage diverted from the production of feed grains.

8. Allows advance payments (up to 50 percent) at signup time not only for diversion, but also on the direct-payment portion of the price support. This, in effect, provides a producer with a portion of his price support prior to harvest time.

III. TABLES AND CHARTS

The following tables and charts were included in the record of the hearings by the Department of Agriculture and are submitted for reference:

TABLE 1.—Progress report of enrollment in the 1963 feed grain program as of Feb. 21, 1963¹

| State | All eligible feed grain farms | | 1963 enrollment | | | | | | Estimated diversion payments | |
|---------------------------|-------------------------------|--------------------------------|------------------|-----------------------------------|-----------------------------|------------------|-----------------------|-----------------------------|------------------------------|---------------------------------|
| | Farms | 1963 base acreage ² | Farms | | Base acreage | | Intended diversion | | | |
| | | | Enrolled | Portion of total eligi- ble farms | On enrolled farms | Average per farm | Portion of total base | On enrolled farms | Portion of enrolled base | |
| Alabama..... | Number 112,202 | Thousands of acres 2,261.0 | Number 16,540 | Percent 14.7 | Thousands of acres 463.3 | Acres 28 | Percent 20.5 | Thousands of acres 276.5 | Percent 59.7 | Thousands of dollars 4,259.9 |
| Alaska ³ | | | | | | | | | | |
| Arizona..... | 3,054 | 374.4 | 319 | 10.4 | 55.8 | 175 | 14.9 | 22.2 | 39.7 | 556.8 |
| Arkansas..... | 43,798 | 599.5 | 3,209 | 7.3 | 66.9 | 21 | 11.2 | 47.2 | 70.5 | 882.4 |
| California..... | 12,514 | 2,444.1 | 938 | 7.5 | 224.4 | 239 | 9.2 | 86.2 | 38.4 | 1,670.0 |
| Colorado..... | 26,757 | 2,441.7 | 1,305 | 4.9 | 159.2 | 122 | 6.5 | 58.5 | 36.7 | 722.1 |
| Connecticut..... | 2,257 | 34.8 | 36 | 1.6 | 6.6 | 17 | 1.7 | 5.5 | 75.6 | 18.9 |
| Delaware..... | 5,227 | 182.2 | 448 | 8.6 | 21.2 | 47 | 11.6 | 10.3 | 48.5 | 323.1 |
| Florida..... | 16,732 | 718.9 | 3,187 | 19.0 | 186.0 | 58 | 25.9 | 87.5 | 47.0 | 1,302.4 |
| Georgia..... | 93,469 | 3,190.1 | 12,654 | 13.5 | 621.1 | 49 | 19.5 | 296.3 | 47.7 | 4,511.0 |
| Hawaii ³ | | | | | | | | | | |
| Idaho..... | 22,436 | 818.3 | 670 | 3.0 | 44.4 | 66 | 5.4 | 19.0 | 42.7 | 317.9 |
| Illinois..... | 211,716 | 10,981.4 | 24,680 | 11.7 | 1,688.1 | 68 | 15.4 | 436.1 | 28.8 | 11,480.1 |
| Indiana..... | 162,137 | 5,744.6 | 18,603 | 11.5 | 801.0 | 43 | 13.9 | 349.6 | 43.6 | 10,033.9 |
| Iowa..... | 194,990 | 13,517.0 | 30,616 | 15.7 | 2,466.1 | 81 | 18.2 | 663.2 | 26.9 | 13,426.0 |
| Kansas..... | 133,958 | 9,467.2 | 12,279 | 9.2 | 821.3 | 67 | 8.7 | 300.7 | 36.6 | 4,478.7 |
| Kentucky..... | 127,476 | 1,998.2 | 18,193 | 14.3 | 388.8 | 21 | 19.5 | 259.4 | 66.7 | 6,187.7 |
| Louisiana..... | 34,968 | 499.4 | 3,590 | 10.3 | 84.9 | 24 | 17.0 | 48.6 | 57.2 | 953.7 |
| Maine..... | 944 | 10.6 | 38 | 4.0 | 4.4 | 10 | 3.5 | 3.3 | 90.6 | 10.8 |
| Maryland..... | 22,904 | 620.1 | 1,117 | 4.9 | 40.8 | 36 | 6.6 | 21.4 | 52.6 | 638.8 |
| Massachusetts..... | 1,410 | 21.5 | 5 | 4 | 1 | 15 | 3 | 1 | 89.0 | 2.8 |
| Michigan..... | 106,665 | 2,342.2 | 9,378 | 8.8 | 262.0 | 28 | 11.2 | 155.0 | 59.2 | 4,604.6 |
| Minnesota..... | 144,349 | 8,575.2 | 19,884 | 13.8 | 1,512.7 | 76 | 17.6 | 450.2 | 29.8 | 8,797.6 |
| Mississippi..... | 88,813 | 1,395.2 | 12,067 | 13.6 | 279.6 | 23 | 20.0 | 175.3 | 62.7 | 3,119.9 |
| Missouri..... | 152,937 | 5,912.3 | 28,314 | 18.5 | 1,397.5 | 49 | 23.6 | 642.6 | 46.0 | 15,548.6 |
| Montana..... | 20,567 | 2,208.4 | 3,704 | 3.4 | 88.8 | 126 | 4.0 | 27.0 | 30.4 | 237.8 |
| Nebraska..... | 103,438 | 9,880.7 | 15,561 | 14.4 | 1,491.9 | 96 | 15.1 | 407.8 | 27.3 | 6,500.0 |
| Nevada..... | 562 | 20.9 | 11 | 2.0 | .6 | 53 | 2.8 | .3 | 50.9 | 6.0 |
| New Hampshire..... | 822 | 9.9 | | | | | | | | |

| | | | | | | | | | | |
|-----------------------------------|-----------|-----------|---------|------|------------------|-----|------|------------------|-------|-----------|
| New Jersey..... | 6,777 | 201.6 | 789 | 11.6 | 27.3 | 35 | 13.5 | 15.5 | 56.8 | 560.4 |
| New Mexico..... | 6,996 | 850.3 | 399 | 5.7 | 40.8 | 102 | 4.8 | 15.3 | 37.6 | 224.9 |
| New York..... | 46,270 | 756.8 | 6,027 | 13.0 | 116.2 | 19 | 15.4 | 75.0 | 64.5 | 2,369.0 |
| North Carolina..... | 175,089 | 2,278.6 | 24,832 | 14.2 | 435.6 | 18 | 19.1 | 275.6 | 63.3 | 7,243.5 |
| North Dakota..... | 65,418 | 6,121.1 | 5,552 | 8.5 | 599.6 | 108 | 9.8 | 176.0 | 29.4 | 1,250.9 |
| Ohio..... | 161,161 | 3,981.1 | 10,926 | 6.8 | 320.1 | 29 | 8.0 | 173.2 | 54.1 | 3,600.5 |
| Oklahoma..... | 75,720 | 3,115.2 | 8,056 | 10.6 | 336.5 | 42 | 10.8 | 181.9 | 54.1 | 2,386.4 |
| Oregon..... | 12,719 | 632.4 | 597 | 4.8 | 28.8 | 48 | 4.5 | 14.3 | 259.2 | 259.2 |
| Pennsylvania..... | 93,489 | 1,500.7 | 4,597 | 4.9 | 86.4 | 19 | 5.8 | 60.1 | 69.5 | 2,143.6 |
| Puerto Rico ¹ | 195 | 3.7 | 1 | 0.5 | (⁴) | 50 | 1.4 | (⁴) | 50.0 | 0.8 |
| Rhode Island..... | 71,572 | 1,035.0 | 10,695 | 14.9 | 243.5 | 23 | 22.4 | 145.4 | 59.7 | 2,511.3 |
| South Carolina..... | 63,928 | 5,840.1 | 6,735 | 10.5 | 686.9 | 102 | 11.8 | 197.0 | 28.7 | 1,867.5 |
| South Dakota..... | 118,632 | 1,800.3 | 20,898 | 17.6 | 417.4 | 20 | 23.2 | 286.9 | 68.7 | 6,412.7 |
| Tennessee..... | 192,449 | 12,295.5 | 26,754 | 13.9 | 2,083.8 | 78 | 16.9 | 796.7 | 38.2 | 11,137.7 |
| Texas..... | 12,357 | 249.3 | 577 | 4.7 | 17.5 | 30 | 7.0 | 10.1 | 57.5 | 11,197.0 |
| Utah..... | 3,692 | 50.6 | 31 | 0.8 | 0.4 | 12 | 0.7 | 0.3 | 79.6 | 11.0 |
| Vermont..... | 75,473 | 926.5 | 6,008 | 8.0 | 99.2 | 17 | 10.7 | 61.6 | 62.1 | 1,669.1 |
| Virgin Islands ² | | | | | | | | | | |
| Washington..... | 11,318 | 880.6 | 509 | 4.5 | 27.1 | 53 | 3.1 | 12.4 | 45.7 | 345.6 |
| West Virginia..... | 16,139 | 118.3 | 974 | 6.0 | 9.8 | 10 | 8.3 | 7.6 | 77.5 | 250.4 |
| Wisconsin..... | 125,651 | 3,189.7 | 15,143 | 12.1 | 536.3 | 35 | 16.8 | 261.4 | 48.7 | 7,840.7 |
| Wyoming..... | 4,581 | 223.9 | 236 | 5.2 | 17.0 | 72 | 7.6 | 7.6 | 34.8 | 132.0 |
| U.S. total..... | 3,191,428 | 132,371.1 | 384,762 | 12.1 | 19,297.7 | 50 | 14.6 | 7,665.7 | 39.7 | 155,010.7 |

¹ Data is based on preliminary reports from State and county ASCS offices and are subject to revision.

² Data differs from the 1962 base because of the inclusion of base acreages covered by conservation reserve program contracts, and because of adjustments and revisions in individual farm crop histories.

³ Not applicable.
⁴ 50 acres or less.

[Table 1: USDA Press Release No. 981-63]

U.S. DEPARTMENT OF AGRICULTURE,
Washington, March 25, 1963.

ESTIMATE INDICATES 1963 FEED GRAIN SIGNUP TO DIVERT
NEARLY 26 MILLION ACRES

The U.S. Department of Agriculture today made public a preliminary estimate indicating the signup of nearly 1.3 million farms to divert close to 26 million acres from corn, barley, and grain sorghum production under the 1963 feed grain program.

The diversion represents more than a third of the 75-million base acreage of farms signed to participate this year. Indications are that a larger proportion of the Nation's base acreage will be on participating farms in 1963 than in 1962, but the acreage diverted will probably be less.

The preliminary estimate was made for the Feed-Grain Subcommittee of the House Agriculture Committee, which is intensively working on proposed legislation for a feed grain program in 1964 and subsequent years.

Final figures on the number of farms and the acreage signed up under the 1963 feed grain program are expected to be available about the first or second week in April. The signup ended last Friday (March 22), and the figures are being assembled from all counties.

The preliminary estimate was made on the basis of telephone and telegraph reports from State agricultural stabilization and conservation service offices which obtain information from county ASCS offices during the final day of the signup.

TABLE 2.—*Feed grain farms and extent of participation—1962 feed grain program—preliminary*¹

| | Total number of farms, 1962 | | Total number of farms signing to participate, 1962 | | Portion of total corn and/or grain farms signing to participate | Portion of total barley farms signing to participate |
|---------------------|-----------------------------|---------|--|---------|---|--|
| | Corn and/or grain sorghum | Barley | Corn and/or grain sorghum | Barley | | |
| | | | | | Percent | Percent |
| Maine..... | 88 | | 56 | | 63.6 | |
| New Hampshire..... | 970 | | | | | |
| Vermont..... | 3,888 | | 96 | | 2.5 | |
| Massachusetts..... | 1,000 | | 19 | | 1.9 | |
| Rhode Island..... | 290 | | 2 | | .7 | |
| Connecticut..... | 1,887 | | 154 | | 8.2 | |
| New York..... | 41,199 | 3,239 | 16,897 | 1,095 | 41.0 | 33.8 |
| New Jersey..... | 5,730 | 1,922 | 2,365 | 252 | 41.3 | 13.1 |
| Pennsylvania..... | 85,838 | 22,630 | 18,341 | 1,214 | 21.4 | 5.4 |
| Ohio..... | 153,373 | 7,313 | 57,570 | 448 | 37.5 | 6.1 |
| Indiana..... | 156,118 | 7,189 | 66,642 | 346 | 42.7 | 4.8 |
| Illinois..... | 207,595 | 8,216 | 97,365 | 376 | 46.9 | 4.6 |
| Michigan..... | 94,321 | 10,097 | 39,897 | 1,424 | 42.3 | 14.1 |
| Wisconsin..... | 117,862 | 2,504 | 36,334 | 197 | 30.8 | 7.9 |
| Minnesota..... | 126,868 | 21,615 | 65,253 | 11,313 | 51.4 | 52.3 |
| Iowa..... | 189,820 | 1,421 | 114,178 | 108 | 60.2 | 7.6 |
| Missouri..... | 141,926 | 17,712 | 82,717 | 2,896 | 58.3 | 16.4 |
| North Dakota..... | 27,497 | 53,955 | 14,642 | 24,665 | 53.2 | 45.7 |
| South Dakota..... | 61,086 | 17,306 | 26,028 | 5,068 | 42.6 | 29.3 |
| Nebraska..... | 105,658 | 14,505 | 71,762 | 5,146 | 67.9 | 35.5 |
| Kansas..... | 122,422 | 41,119 | 72,476 | 13,074 | 59.2 | 31.8 |
| Delaware..... | 4,993 | 975 | 1,646 | 111 | 33.0 | 11.4 |
| Maryland..... | 21,179 | 7,002 | 3,998 | 434 | 18.9 | 6.2 |
| Virginia..... | 69,624 | 13,285 | 19,989 | 2,725 | 28.7 | 20.5 |
| West Virginia..... | 7,868 | 976 | 1,652 | 47 | 21.0 | 4.8 |
| North Carolina..... | 148,134 | 10,554 | 63,421 | 3,117 | 42.8 | 29.5 |
| South Carolina..... | 60,655 | 3,027 | 23,643 | 1,372 | 39.0 | 45.3 |
| Georgia..... | 72,984 | 448 | 25,182 | 179 | 34.5 | 40.0 |
| Florida..... | 15,242 | | 6,054 | | 39.7 | |
| Kentucky..... | 96,993 | 7,219 | 43,982 | 1,072 | 45.3 | 14.8 |
| Tennessee..... | 108,641 | 5,313 | 45,262 | 1,069 | 41.7 | 20.1 |
| Alabama..... | 107,815 | 218 | 37,854 | 33 | 35.1 | 15.1 |
| Mississippi..... | 83,861 | 96 | 25,950 | 30 | 30.9 | 31.2 |
| Arkansas..... | 27,581 | 845 | 6,857 | 156 | 24.9 | 18.5 |
| Louisiana..... | 30,968 | 1 | 8,480 | 1 | 27.4 | 100.0 |
| Oklahoma..... | 46,427 | 29,327 | 21,345 | 10,109 | 46.0 | 34.5 |
| Texas..... | 163,912 | 14,571 | 84,692 | 6,093 | 51.7 | 41.8 |
| Montana..... | 2,914 | 18,931 | 1,233 | 6,196 | 42.3 | 32.7 |
| Idaho..... | 5,913 | 17,130 | 875 | 3,027 | 14.8 | 17.7 |
| Wyoming..... | 2,099 | 3,587 | 515 | 333 | 24.5 | 9.3 |
| Colorado..... | 17,395 | 15,023 | 7,772 | 4,514 | 44.7 | 30.0 |
| New Mexico..... | 5,176 | 1,328 | 2,480 | 417 | 47.9 | 31.4 |
| Arizona..... | 2,208 | 1,646 | 905 | 688 | 41.0 | 41.8 |
| Utah..... | 3,675 | 8,564 | 593 | 1,431 | 16.1 | 16.7 |
| Nevada..... | 164 | 379 | 7 | 34 | 4.3 | 9.0 |
| Washington..... | 3,046 | 8,298 | 1,380 | 2,642 | 45.3 | 31.8 |
| Oregon..... | 2,768 | 10,373 | 1,037 | 3,252 | 37.5 | 31.4 |
| California..... | 6,240 | 8,426 | 2,209 | 3,088 | 35.4 | 36.6 |
| U.S. total..... | 2,763,911 | 418,358 | 1,221,807 | 119,794 | 44.2 | 28.6 |

¹ Based on State and county ASCS office reports compiled through Feb. 25, 1963, and subject to revision on the basis of final reports received from State and county offices.

TABLE 3.—Total base acreage on all feed grain farms and extent of participation—1962 feed grain program—preliminary ¹

| State | Base acreages | | | Acreage diverted for payment on participating farms | |
|---------------------|---|------------------------|---|---|--|
| | On all feed grain farms (corn, grain sorghums, barley) ² | On participating farms | | Amount | Portion of base acreage on participating farms diverted for payment (col. 5 ÷ col. 3) ³ |
| | | Amount ² | Portion of total base acreage on participating farms (col. 3 ÷ col. 2) ³ | | |
| (1) | (2) | (3) | (4) | (5) | (6) |
| | Thousands of acres | Thousands of acres | Percent | Thousands of acres | Percent |
| Maine..... | 10.0 | 0.8 | 8.0 | 0.5 | 6.2 |
| New Hampshire..... | 10.0 | 0 | 0 | 0 | 0 |
| Vermont..... | 48.0 | 1.6 | 3.3 | 1.2 | 75.0 |
| Massachusetts..... | 26.0 | .4 | 1.5 | .3 | 75.0 |
| Rhode Island..... | 5.0 | .1 | 1.3 | (4) | 40.0 |
| Connecticut..... | 34.0 | 3.2 | 9.4 | 1.8 | 56.2 |
| New York..... | 702.8 | 234.6 | 40.5 | 177.5 | 62.4 |
| New Jersey..... | 136.1 | 81.9 | 44.0 | 48.6 | 59.3 |
| Pennsylvania..... | 1,419.0 | 295.7 | 20.8 | 198.2 | 67.0 |
| Ohio..... | 3,885.6 | 1,613.6 | 41.5 | 867.2 | 63.7 |
| Indiana..... | 5,628.9 | 2,800.1 | 49.7 | 1,308.2 | 46.7 |
| Illinois..... | 10,848.2 | 5,917.4 | 54.5 | 2,043.0 | 34.5 |
| Michigan..... | 2,215.4 | 1,008.2 | 45.5 | 598.2 | 59.3 |
| Wisconsin..... | 3,043.6 | 1,689.3 | 55.5 | 610.7 | 36.2 |
| Minnesota..... | 8,258.5 | 4,778.9 | 57.9 | 1,873.7 | 39.2 |
| Iowa..... | 13,310.2 | 8,951.9 | 67.3 | 3,119.9 | 34.9 |
| Missouri..... | 5,633.6 | 3,823.7 | 67.9 | 1,897.8 | 49.6 |
| North Dakota..... | 5,590.8 | 2,685.8 | 48.0 | 1,318.0 | 49.1 |
| South Dakota..... | 5,402.7 | 2,466.4 | 45.7 | 873.0 | 35.4 |
| Nebraska..... | 9,536.0 | 6,892.5 | 72.3 | 2,296.5 | 33.3 |
| Kansas..... | 8,741.2 | 5,092.1 | 58.3 | 1,987.9 | 39.0 |
| Delaware..... | 174.2 | 68.5 | 39.3 | 36.1 | 52.7 |
| Maryland..... | 603.0 | 145.1 | 24.1 | 78.3 | 54.0 |
| Virginia..... | 905.0 | 326.0 | 36.0 | 201.6 | 61.8 |
| West Virginia..... | 139.4 | 24.1 | 17.3 | 16.1 | 66.8 |
| North Carolina..... | 2,191.3 | 1,159.1 | 52.9 | 775.4 | 66.9 |
| South Carolina..... | 926.6 | 509.3 | 55.0 | 297.6 | 58.4 |
| Georgia..... | 2,801.7 | 1,216.3 | 43.4 | 571.7 | 47.0 |
| Florida..... | 606.7 | 338.4 | 55.8 | 161.5 | 47.7 |
| Kentucky..... | 1,878.7 | 938.0 | 49.9 | 594.7 | 63.4 |
| Tennessee..... | 1,653.5 | 875.7 | 53.0 | 583.5 | 66.6 |
| Alabama..... | 2,096.8 | 983.2 | 46.9 | 565.7 | 57.5 |
| Mississippi..... | 1,299.9 | 622.6 | 47.9 | 352.6 | 56.6 |
| Arkansas..... | 470.3 | 183.8 | 39.1 | 113.3 | 61.6 |
| Louisiana..... | 445.9 | 201.1 | 45.1 | 116.7 | 58.0 |
| Oklahoma..... | 2,539.5 | 1,075.2 | 42.3 | 577.9 | 53.7 |
| Texas..... | 10,762.2 | 7,556.1 | 70.2 | 2,984.8 | 39.5 |
| Montana..... | 2,057.4 | 386.1 | 18.8 | 144.9 | 37.5 |
| Idaho..... | 711.7 | 213.5 | 30.0 | 87.8 | 41.1 |
| Wyoming..... | 196.0 | 47.9 | 24.4 | 21.4 | 44.7 |
| Colorado..... | 1,927.0 | 933.3 | 48.4 | 383.1 | 41.0 |
| New Mexico..... | 463.5 | 317.5 | 68.5 | 123.6 | 38.9 |
| Arizona..... | 369.1 | 209.1 | 56.7 | 86.7 | 41.5 |
| Utah..... | 206.5 | 55.5 | 26.9 | 29.7 | 53.5 |
| Nevada..... | 18.7 | 1.4 | 7.5 | 0.8 | 57.1 |
| Washington..... | 815.3 | 201.9 | 24.8 | 76.6 | 37.9 |
| Oregon..... | 584.6 | 240.0 | 41.1 | 95.1 | 39.6 |
| California..... | 1,960.3 | 967.9 | 49.4 | 346.0 | 35.7 |
| U.S. total..... | 123,340.4 | 68,184.8 | 55.3 | 28,645.4 | 42.0 |

¹ Based on State and county ASCS office reports compiled through Feb. 25, 1963, and subject to revision on the basis of final reports received from State and county offices.

² 1959-60 average acreage of field corn planted for all purposes plus sweet corn utilized as silage and of grain sorghum planted for harvest as grain, silage or fodder, both adjusted, where necessary, for abnormal factor affecting plantings.

³ Computed on rounded data.

⁴ 50 acres or less.

TABLE 4.—*Payments under 1961 and 1962 feed grain programs cumulative from inception through Jan. 31, 1963*¹

| State | 1961 | 1962 |
|---------------------|----------------|----------------|
| Maine..... | \$15,192.81 | \$20,123.18 |
| New Hampshire..... | | |
| Vermont..... | 50,175.68 | 45,926.05 |
| Massachusetts..... | 7,195.14 | 12,753.21 |
| Rhode Island..... | 929.14 | 1,481.24 |
| Connecticut..... | 47,968.04 | 84,587.90 |
| New York..... | 6,682,800.36 | 6,547,078.96 |
| New Jersey..... | 1,895,972.70 | 2,356,405.53 |
| Pennsylvania..... | 6,821,336.60 | 8,149,306.66 |
| Ohio..... | 42,674,824.43 | 36,603,994.99 |
| Indiana..... | 54,742,969.80 | 53,706,966.78 |
| Illinois..... | 87,817,582.63 | 87,505,791.53 |
| Michigan..... | 18,320,677.52 | 21,259,519.17 |
| Wisconsin..... | 23,462,051.07 | 25,835,092.65 |
| Minnesota..... | 46,213,009.54 | 53,970,447.50 |
| Iowa..... | 107,620,556.78 | 121,569,584.71 |
| Missouri..... | 69,328,457.38 | 64,850,652.21 |
| North Dakota..... | 5,607,579.19 | 13,589,872.53 |
| South Dakota..... | 15,775,983.08 | 15,608,599.32 |
| Nebraska..... | 66,788,199.59 | 68,025,510.09 |
| Kansas..... | 55,209,166.28 | 44,164,064.60 |
| Delaware..... | 1,511,602.28 | 1,479,352.31 |
| Maryland..... | 3,127,734.51 | 3,035,486.48 |
| Virginia..... | 4,373,162.98 | 6,293,070.89 |
| West Virginia..... | 407,098.21 | 748,375.98 |
| North Carolina..... | 16,231,578.73 | 20,828,623.99 |
| South Carolina..... | 4,198,903.27 | 6,009,777.87 |
| Georgia..... | 6,574,272.08 | 11,941,776.63 |
| Florida..... | 2,466,460.80 | 3,227,494.06 |
| Kentucky..... | 17,723,194.20 | 18,204,191.76 |
| Tennessee..... | 11,867,721.84 | 14,822,371.68 |
| Alabama..... | 7,649,355.90 | 10,338,427.09 |
| Mississippi..... | 5,285,687.01 | 7,706,405.34 |
| Arkansas..... | 2,212,219.46 | 2,788,602.10 |
| Louisiana..... | 2,170,378.73 | 3,105,747.03 |
| Oklahoma..... | 8,782,070.88 | 9,663,284.40 |
| Texas..... | 59,601,429.43 | 64,569,628.14 |
| Montana..... | 601,921.97 | 1,727,066.88 |
| Idaho..... | 337,262.98 | 1,697,980.91 |
| Wyoming..... | 378,164.83 | 516,190.34 |
| Colorado..... | 6,327,776.98 | 6,755,320.29 |
| New Mexico..... | 2,635,342.22 | 2,838,522.31 |
| Arizona..... | 2,192,877.84 | 3,230,211.20 |
| Utah..... | 355,815.37 | 694,427.68 |
| Nevada..... | 25,143.44 | 15,873.04 |
| Washington..... | 1,058,388.46 | 2,931,744.15 |
| Oregon..... | 822,942.54 | 2,361,277.57 |
| California..... | 4,397,794.42 | 10,091,095.41 |
| U.S. total..... | 782,198,929.12 | 841,519,853.34 |

¹ Based on data compiled by Fiscal Division, ASCS, Feb. 26, 1963, and subject to revision after final reports are obtained from State and county ASCS offices.

TABLE 5.—*Extent of farms participating in the program*¹—1961 feed grain program

| State | Indicated total number of corn and/or grain sorghum farms | Number of farms signed to participate | Number of farms participating in program | Percent of total number of farms participating |
|---------------------|--|--|---|---|
| | (1) | (2) | (3) | (4) |
| Maine..... | 946 | 44 | 39 | 4.1 |
| New Hampshire..... | 970 | | | |
| Vermont..... | 3,880 | 90 | 85 | 2.2 |
| Massachusetts..... | 1,911 | 13 | 12 | .6 |
| Rhode Island..... | 291 | 1 | 1 | .9 |
| Connecticut..... | 2,325 | 92 | 90 | 3.3 |
| New York..... | 41,206 | 16,168 | 15,036 | 36.5 |
| New Jersey..... | 6,447 | 1,941 | 1,922 | 29.8 |
| Pennsylvania..... | 81,526 | 14,928 | 14,565 | 17.9 |
| Ohio..... | 157,039 | 60,990 | 59,817 | 38.1 |
| Indiana..... | 156,730 | 66,579 | 65,683 | 41.9 |
| Illinois..... | 208,445 | 104,968 | 100,856 | 48.4 |
| Michigan..... | 96,664 | 34,400 | 33,806 | 35.0 |
| Wisconsin..... | 120,565 | 35,555 | 32,669 | 27.1 |
| Minnesota..... | 126,995 | 64,231 | 63,134 | 49.7 |
| Iowa..... | 191,603 | 109,030 | 107,048 | 55.9 |
| Missouri..... | 148,999 | 82,352 | 81,253 | 54.0 |
| North Dakota..... | 27,474 | 20,160 | 19,853 | 72.3 |
| South Dakota..... | 61,376 | 30,145 | 29,649 | 48.3 |
| Nebraska..... | 106,827 | 76,370 | 75,473 | 70.6 |
| Kansas..... | 121,606 | 84,251 | 82,936 | 68.2 |
| Delaware..... | 5,077 | 1,807 | 1,783 | 35.1 |
| Maryland..... | 21,714 | 4,151 | 4,107 | 18.9 |
| Virginia..... | 66,471 | 15,257 | 14,756 | 22.2 |
| West Virginia..... | 13,899 | 897 | 880 | 6.3 |
| North Carolina..... | 169,422 | 53,700 | 52,899 | 31.2 |
| South Carolina..... | 67,279 | 18,066 | 17,554 | 26.1 |
| Georgia..... | 83,032 | 14,143 | 13,727 | 16.5 |
| Florida..... | 16,177 | 4,615 | 4,529 | 28.0 |
| Kentucky..... | 114,963 | 40,500 | 40,005 | 34.8 |
| Tennessee..... | 106,576 | 36,255 | 35,675 | 33.5 |
| Alabama..... | 108,263 | 29,816 | 29,424 | 27.2 |
| Mississippi..... | 85,573 | 18,197 | 17,763 | 20.8 |
| Arkansas..... | 33,340 | 5,603 | 5,459 | 16.4 |
| Louisiana..... | 33,045 | 5,341 | 5,213 | 15.8 |
| Oklahoma..... | 50,838 | 22,912 | 22,212 | 43.7 |
| Texas..... | 168,357 | 80,384 | 77,334 | 45.9 |
| Montana..... | 2,966 | 1,668 | 1,654 | 55.8 |
| Idaho..... | 6,486 | 501 | 483 | 7.4 |
| Wyoming..... | 2,150 | 527 | 516 | 24.0 |
| Colorado..... | 17,758 | 8,057 | 7,880 | 44.4 |
| New Mexico..... | 5,495 | 2,363 | 2,320 | 42.2 |
| Arizona..... | 2,281 | 1,225 | 1,196 | 52.4 |
| Utah..... | 3,731 | 706 | 690 | 18.5 |
| Nevada..... | 164 | 45 | 44 | 26.8 |
| Washington..... | 3,289 | 1,132 | 1,097 | 33.4 |
| Oregon..... | 2,806 | 1,123 | 1,014 | 39.3 |
| California..... | 5,969 | 2,824 | 2,738 | 45.9 |
| U.S. total..... | 2,860,946 | 1,174,123 | 1,146,969 | 40.1 |

¹ Based on data reported to Grain Division by Agricultural Soil Conservation Service State offices.

TABLE 6.—Total base acres of corn and grain sorghums and base acres of corn and grain sorghum on farms participating in the program ¹—1961 feed grain program

| State | Corn | | | Grain sorghums | | |
|---------------------|--|--|--|--|--|--|
| | Total base acres on all farms (thousand acres) | Base acres on participating farms (thousand acres) | Percent of total base on participating farms (percent) | Total base acres on all farms (thousand acres) | Base acres on participating farms (thousand acres) | Percent of total base on participating farms (percent) |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Maine..... | 11.0 | 0.5 | 4.5 | ----- | ----- | ----- |
| New Hampshire..... | 11.5 | ----- | ----- | ----- | ----- | ----- |
| Vermont..... | 59.5 | 1.4 | 2.4 | ----- | ----- | ----- |
| Massachusetts..... | 31.5 | .2 | .6 | ----- | ----- | ----- |
| Rhode Island..... | 6.0 | (²) | ----- | ----- | ----- | ----- |
| Connecticut..... | 41.0 | 1.9 | 4.6 | ----- | ----- | ----- |
| New York..... | 662.8 | 295.1 | 44.5 | ----- | ----- | ----- |
| New Jersey..... | 188.2 | 67.9 | 36.1 | ----- | ----- | ----- |
| Pennsylvania..... | 1,286.7 | 264.9 | 20.6 | 11.4 | 1.2 | 10.1 |
| Ohio..... | 4,115.4 | 1,947.8 | 47.3 | 1.2 | .5 | 41.7 |
| Indiana..... | 5,481.2 | 2,967.7 | 54.1 | 18.7 | 14.3 | 76.5 |
| Illinois..... | 10,823.0 | 6,203.1 | 57.3 | 25.1 | 16.1 | 64.1 |
| Michigan..... | 2,315.4 | 961.8 | 41.5 | (²) | (²) | ----- |
| Wisconsin..... | 2,989.5 | 1,161.4 | 38.8 | .1 | .1 | 100.0 |
| Minnesota..... | 7,131.2 | 4,331.5 | 60.7 | 4.4 | 2.8 | 63.6 |
| Iowa..... | 13,118.3 | 8,433.3 | 64.3 | 65.7 | 52.8 | 80.4 |
| Missouri..... | 4,791.8 | 3,511.2 | 73.3 | 594.9 | 451.8 | 75.9 |
| North Dakota..... | 1,389.2 | 5,901.5 | 64.9 | .5 | .5 | 100.0 |
| South Dakota..... | 4,497.4 | 2,476.7 | 55.1 | 225.2 | 145.4 | 64.6 |
| Nebraska..... | 7,248.4 | 5,564.1 | 76.8 | 1,824.4 | 1,722.4 | 94.4 |
| Kansas..... | 2,142.4 | 1,566.2 | 73.1 | 5,709.8 | 4,718.6 | 82.6 |
| Delaware..... | 157.2 | 74.2 | 47.2 | (²) | (²) | ----- |
| Maryland..... | 522.7 | 160.9 | 30.8 | .9 | .1 | 11.1 |
| Virginia..... | 814.1 | 231.0 | 28.4 | 18.5 | 4.4 | 23.8 |
| West Virginia..... | 147.9 | 14.9 | 10.1 | .2 | (²) | ----- |
| North Carolina..... | 2,054.4 | 932.5 | 45.4 | 120.4 | 43.9 | 36.5 |
| South Carolina..... | 967.1 | 388.2 | 40.1 | 51.1 | 10.5 | 20.5 |
| Georgia..... | 2,880.0 | 737.3 | 25.6 | 69.8 | 19.9 | 28.5 |
| Florida..... | 632.3 | 272.1 | 43.0 | 6.9 | 1.9 | 27.5 |
| Kentucky..... | 1,860.9 | 950.5 | 51.1 | 27.7 | 17.1 | 61.7 |
| Tennessee..... | 1,663.4 | 721.4 | 43.4 | 61.6 | 30.6 | 49.7 |
| Alabama..... | 2,024.9 | 782.8 | 38.7 | 35.2 | 16.1 | 45.7 |
| Mississippi..... | 1,386.4 | 433.3 | 31.3 | 56.9 | 26.3 | 46.2 |
| Arkansas..... | 398.2 | 122.2 | 30.7 | 98.5 | 27.8 | 28.2 |
| Louisiana..... | 550.0 | 133.8 | 24.3 | 16.8 | 6.1 | 36.3 |
| Oklahoma..... | 276.7 | 96.6 | 34.9 | 1,478.6 | 924.3 | 62.5 |
| Texas..... | 1,514.2 | 770.6 | 50.9 | 8,416.3 | 6,141.4 | 73.0 |
| Montana..... | 110.4 | 82.9 | 75.1 | ----- | ----- | ----- |
| Idaho..... | 81.0 | 11.2 | 13.8 | 2.7 | .2 | 7.4 |
| Wyoming..... | 62.5 | 25.6 | 41.0 | 3.7 | .9 | 24.3 |
| Colorado..... | 481.4 | 247.5 | 51.4 | 732.9 | 597.7 | 81.6 |
| New Mexico..... | 46.0 | 10.2 | 22.2 | 375.2 | 283.9 | 75.7 |
| Arizona..... | 33.6 | 4.3 | 12.8 | 191.2 | 125.2 | 65.5 |
| Utah..... | 50.8 | 11.0 | 21.7 | .8 | .4 | 50.0 |
| Nevada..... | 4.5 | 1.2 | 26.7 | .8 | .1 | 12.5 |
| Washington..... | 87.2 | 34.9 | 40.0 | 9.9 | 4.9 | 49.5 |
| Oregon..... | 65.0 | 25.9 | 39.8 | .5 | .3 | 60.0 |
| California..... | 141.6 | 79.3 | 56.0 | 277.8 | 180.2 | 64.9 |
| U.S. total..... | 87,355.3 | 48,014.3 | 55.0 | 20,536.3 | 15,590.3 | 75.9 |

¹ Based on data reported to grain division by ASCS State offices.² Less than 50 acres.

TABLE 7.—*Acres of corn and grain sorghums diverted for payment—1961 feed grains program*¹

[In thousands of acres]

| State | Corn (final acres diverted) | Grain sorghums (final acres diverted) | Total corn and grain sorghums (final acres diverted) | State | Corn (final acres diverted) | Grain sorghums (final acres diverted) | Total corn and grain sorghums (final acres diverted) |
|---------------------|--------------------------------------|---|--|------------------------------|--------------------------------------|---|--|
| | (1) | (2) | (3) | | (1) | (2) | (3) |
| Maine..... | 0.3 | ----- | 0.3 | South Carolina.... | 194.9 | 5.0 | 199.9 |
| New Hampshire..... | ----- | ----- | ----- | Georgia..... | 302.1 | 8.7 | 310.8 |
| Vermont..... | .9 | ----- | .9 | Florida..... | 115.9 | 1.5 | 117.4 |
| Massachusetts..... | .2 | ----- | .2 | Kentucky..... | 560.6 | 6.6 | 567.2 |
| Rhode Island..... | (²) | ----- | (²) | Tennessee..... | 432.2 | 16.4 | 448.6 |
| Connecticut..... | 1.0 | ----- | 1.0 | Alabama..... | 407.2 | 6.5 | 413.7 |
| New York..... | 172.5 | ----- | 172.5 | Mississippi..... | 220.5 | 10.9 | 231.4 |
| New Jersey..... | 37.4 | ----- | 37.4 | Arkansas..... | 75.5 | 11.7 | 87.2 |
| Pennsylvania..... | 158.8 | 0.8 | 159.6 | Louisiana..... | 72.3 | 2.9 | 75.2 |
| Ohio..... | 995.2 | .2 | 995.4 | Oklahoma..... | 59.4 | 445.5 | 504.9 |
| Indiana..... | 1,321.2 | 5.3 | 1,326.5 | Texas..... | 320.0 | 2,292.5 | 2,612.5 |
| Illinois..... | 2,097.2 | 7.9 | 2,105.1 | Montana..... | 39.9 | ----- | 39.9 |
| Michigan..... | 531.5 | (²) | 531.5 | Idaho..... | 6.7 | (²) | 6.7 |
| Wisconsin..... | 549.1 | (²) | 549.1 | Wyoming..... | 11.8 | .5 | 12.3 |
| Minnesota..... | 1,518.5 | .8 | 1,519.3 | Colorado..... | 106.3 | 225.9 | 332.2 |
| Iowa..... | 2,760.2 | 24.2 | 2,784.4 | New Mexico..... | 5.4 | 100.7 | 106.1 |
| Missouri..... | 1,722.2 | 208.3 | 1,930.5 | Arizona..... | 1.7 | 54.7 | 56.4 |
| North Dakota..... | 406.4 | .2 | 406.6 | Utah..... | 7.2 | .2 | 7.4 |
| South Dakota..... | 818.5 | 69.3 | 887.8 | Nevada..... | .8 | (²) | .8 |
| Nebraska..... | 1,605.2 | 707.4 | 2,312.6 | Washington..... | 16.8 | 2.3 | 19.1 |
| Kansas..... | 671.4 | 1,786.2 | 2,457.6 | Oregon..... | 15.2 | .1 | 15.3 |
| Delaware..... | 36.9 | (²) | 36.9 | California..... | 32.9 | 69.2 | 102.1 |
| Maryland..... | 77.4 | (²) | 77.4 | | | | |
| Virginia..... | 125.5 | 1.8 | 127.3 | United States, total..... | 19,114.6 | 6,100.5 | 25,215.1 |
| West Virginia..... | 8.9 | (²) | 8.9 | | | | |
| North Carolina..... | 492.9 | 26.3 | 519.2 | | | | |

¹ Based on data reported to grain division by ASCS State offices.² Less than 50 acres.

CHARLES B. HOEVEN.
 PAUL B. DAGUE.
 PAGE BELCHER.
 CLIFFORD G. MCINTIRE.
 CHARLES M. TEAGUE.
 ALBERT H. QUIE.
 DON L. SHORT.
 CATHERINE MAY.
 DELBERT L. LATTA.
 RALPH HARVEY.
 PAUL FINDLEY.
 ROBERT DOLE.
 RALPH F. BEERMANN.
 EDWARD HUTCHINSON.

ADDITIONAL MINORITY VIEWS OF HON. CLIFFORD G.
McINTIRE

This legislation contains provisions that are detrimental to the interests of poultrymen and cattle raisers of the Northeast.

A very basic objection of course is due to the fact that the Northeast sector of this country is a deficit grain-producing area, and any program that has the effect of curtailing grain supplies must necessarily have the corollary effect of boosting grain prices.

Although this legislation purports to extend the so-called antidumping provision of the 1963 Feed Grain Act, it should be borne in mind that the 1963 law has not yet been implemented in this regard and that the Secretary's administration of this provision is yet to be experienced.

In view of the Department's preferential treatment of certain areas of the Nation under past feed grain programs, it would seem premature to enact an extension of a law which has yet to be implemented. We in the Northeast should, I feel, at least have some experience with this "antidumping" provision before accepting 2 more years of uncertainty. The preferential treatment to which I refer was evidenced when, on January 9 of this year, the Secretary posted an order establishing that the Department was offering to 12 States of the Southeast—on an f.o.b. delivery basis—Government-owned grain (chiefly No. 2 Yellow corn) at 25 cents over the CCC bushel quotation in Chicago. The pertinent rate was applicable to bulk shipments of 500 tons and above, while a rate of 27½ cents per bushel of grain was applied on two through nine ordinary cars.

Under this arrangement, buyers of feed grain in the deep Southeast were permitted to purchase feed grains at substantial savings, thereby gaining a marked cost advantage over those who bought feed grain in the Northeast.

Until I am certain that the inequities of previous feed grain legislation are eliminated, I cannot in good conscience support legislation which raises a serious question about its fair application.

CLIFFORD G. McINTIRE.

ADDITIONAL MINORITY VIEWS OF HON. PAUL FINDLEY AND HON. RALPH BEERMANN

These views are in addition to those we expressed in company with the other minority members of the committee.

H.R. 4997 would continue for 2 more years a program similar to the unwise and costly feed grains programs of 1961 and 1962. By Secretary Freeman's own estimate, these programs were too costly. In a memorandum, May 21, 1962, to Hon. Allen J. Ellender, chairman of the Senate Committee on Agriculture and Forestry, Mr. Freeman said, in part:

1. The voluntary programs are too costly.

(a) The additional cost to the Government of operating the voluntary feed grain and wheat programs in S. 3225 for the 1963 crops, compared with the long-range programs, would be about \$600 million (table 1).

(b) If the voluntary programs were extended further, through the 1966 crops, the cumulative additional cost would be about \$4 billion. This amount is equal to the average yearly Federal income tax payments of nearly 5 million taxpayers; would build 27,000 miles of modern highways; would complete 4,000 watershed projects.

* * * * *

2. The voluntary programs provide no assurance that stocks will be reduced. In the voluntary feed grain program, noncooperators offset much of the acreage reduction made by cooperators. In 1961, noncooperators increased their plantings by 6 to 7 million acres, offsetting about one-fourth of the acreage reduction diverted and paid for on farms of cooperators. In the voluntary wheat program, smaller carryovers depend on acreage diversion beyond the mandatory 10-percent reduction from 1961 allotments. In both programs, farmer participation is uncertain, and is dependent on crop conditions.

In a statement February 28, 1963, to the Livestock and Feed Grains Subcommittee, House Committee on Agriculture, the American Farm Bureau Federation gave this analysis of the 1961 and 1962 feed grains program:

RESULTS OF 1961 AND 1962 FEED GRAIN PROGRAMS

The administration claims that the so-called emergency feed grain program has been a great success, since the buildup in supplies has been halted and some progress has been made in reducing carryover stocks. What are the facts?

Fact No. 1. A sizable majority of the eligible producers gave the program a "no confidence" vote by staying out, both in 1961 and 1962.

In 1961 only 42 percent of the farmers with corn and grain sorghum bases signed program contracts. In 1962 contracts were signed by 44 percent of the producers with corn and grain sorghum bases and 29 percent of those with barley bases.

Fact No. 2. The acreage that was diverted under the program did not result in a corresponding reduction in feed grain plantings.

In 1961 the Government contracted for approximately 4 acres for each 3 acres by which corn and grain sorghum plantings were reduced from the 1959-60 base. In 1962 it contracted for approximately 5 acres for each 3½ acres by which corn, grain sorghums, and barley were reduced from the 1959-60 base.

In 1959-60 the total acreage planted to the four principal feed grains averaged 151.3 million acres.

In 1961 farmers planted 129.3 million acres to feed grains and were paid for diverting 26.7 million acres. Thus, the total of 156.0 million acres planted or diverted in 1961 was 4.7 million acres greater than 1959-60 plantings.

In 1962 farmers planted 125.9 million acres to feed grains and were paid for diverting 32.7 million acres. Thus, the total planted plus the acreage diverted rose to 158.6 million acres, or 7.3 million acres more than the average acreage planted in 1959-60.

The increase in "feed grain acreage" (including diverted acreage) under the program reflects increased plantings by nonparticipating farmers and adjustments in the base acreage of participating producers.

Fact No. 3. The production of feed grains was reduced less than the reduction in acreage planted because yields increased.

Apologists for the program have attributed most of the 1961 increase in yields to "weather." But yields rose again in 1962. (Per-acre corn yields averaged 53.8 bushels in 1959-60 and rose to 62.0 bushels in 1961 and 64.1 bushels in 1962).

In 1961, as compared with the base period 1959-60, the acreage devoted to four feed grains was reduced 14.5 percent and the production of four feed grains (total tonnage basis) was reduced 7.9 percent.

In 1962, as compared with the 1959-60 base, the acreage devoted to four feed grains was reduced 16.8 percent and the production of four feed grains was reduced 6.2 percent.

Fact No. 4. The reduction in feed grain stocks has been due almost entirely to increased utilization and not to the Government program.

At the beginning of the 1961 marketing year feed grain stocks totaled a record 84.7 million tons.

By the beginning of the current marketing year stocks had been reduced to 71.8 million tons. Only a very small part of this reduction of 12.9 million tons can be attributed to the feed grain program.

The production of feed grains was reduced 15 million tons in 1961, but barley and oats—which were not included in the

1961 program—accounted for 3.1 million tons of this reduction.

One of the most significant factors in the feed grain situation is the increase in utilization which has been occurring. Domestic consumption and exports of feed grains increased 8.1 million tons in the marketing year 1961 (as compared with 1960).

To summarize, under the 1961 program, stocks were reduced 12.9 million tons, but if there had been no increase in utilization and no reduction in the production of feed grains not covered by the 1961 program, the reduction in carryover would have been less than 2 million tons.

It now appears that stocks will be reduced 10.8 million tons (from 71.8 to 61 million) during the 1962 marketing year. This reduction is almost entirely accounted for by increased utilization and a reduction in the production of oats. As compared with 1961, total production of feed grains *increased* 2.5 million tons (from 140.6 million tons to 143.1 million tons) and exports are expected to decline by about 1.7 million tons this year.

By the fall of 1963, feed grain stocks will have been reduced by a total of approximately 23.7 million tons from the 1961 level. But, if there had been no increase in utilization and no reduction in production of crops not under the program, the total reduction in stocks would be only a little over 2 million tons. Thus, 90 percent of the reduction in feed grain carryover was due to factors other than the effect of the emergency program.

Fact No. 5. The total direct cost—\$1.7 billion—of the 1961 and 1962 feed grain programs cannot be justified by what has actually been accomplished under these programs.

MARKET PRICES DEPRESSED

Early in 1961, when this committee was discussing the 1961 feed grain program we spoke out against one of its most disturbing features. We called this “the obvious threat to use the Government’s huge surplus stocks to beat down the market price of feed grains.” We denounced this proposal as a “brandnew and fallacious concept.” We continued to oppose the dumping of CCC feed grain stocks during the 1962 program. We have continually pointed out that this use of CCC stocks is bad for our market system for grain and that it severely penalizes producers who want to sell their feed grains on the market.

As we have already pointed out considerably more than 50 percent of all feed grain producers stayed out of the feed

grain program in 1961 and in 1962. Dumping CCC feed grains on the market held down their market price and, of course, lowered their incomes.

We also pointed out early in 1961 that dumping feed grain stocks onto the market would ultimately adversely affect poultry, dairy, and livestock production and prices for these commodities. Let us review briefly what has happened in this regard.

Factors in the reduction of feed grain stocks

[Million tons]

| | 1961 | 1962 | Total |
|---|-------|-------|-------|
| Reduction in production from 1960 of crops covered by program: | | | |
| Corn..... | 7.9 | 7.4 | 15.3 |
| Grain sorghum..... | 4.0 | 3.1 | 7.1 |
| Barley..... | | 0 | 0 |
| Total..... | 11.9 | 10.5 | 22.4 |
| Reduction in production from 1960 of crops not covered by program: | | | |
| Barley..... | .8 | | .8 |
| Oats..... | 2.3 | 2.0 | 4.3 |
| Total..... | 3.1 | 2.0 | 5.1 |
| Increase in utilization from 1960 marketing year. | 8.1 | 8.3 | 16.4 |
| Net effect of reduction in production of crops not covered by program and increase in utilization on carryover..... | -11.2 | -10.3 | -21.5 |
| Total reduction in carryover..... | 12.9 | 10.8 | 23.7 |
| Reduction in carryover due to feed grain program..... | 1.7 | .5 | 2.2 |

NOTE.—It may be argued that the carryover would have increased if there had been no feed grain program. The point, however, is that the program has done little except to stop the buildup. The reduction in accumulated stocks is almost entirely due to increased utilization and reduced production of feed crops not covered by the program.

The total direct costs of our 2-year experience with the feed grain program have exceeded \$1,700,000,000.

Direct costs of the 1961 and 1962 feed grain programs

[Million dollars]

| Payments to— | 1961 | 1962 | Total, 1961 and 1962 |
|------------------------------|------|------|----------------------|
| Corn producers..... | 765 | 854 | 1,619 |
| Sorghum producers..... | | 42 | 42 |
| Barley producers..... | 42 | 142 | 84 |
| Administrative expenses..... | | | |
| Total..... | 807 | 938 | 1,745 |

¹ Assumed to be the same as for 1961.

NOTE.—Indirect costs resulting from the policy of dumping CCC grain to penalize non-participants will add \$200,000,000 or more to the total cost of the 1961 and 1962 programs.

Poultry and dairy production have continued above what they would have been if CCC stocks of feed grains had not been dumped. Prices of both these commodities have been depressed because of this unwise action.

Numbers of hogs coming to market and cattle on feed and being marketed are also up considerably. Hog prices are down, and top cattle prices have taken one of the sharpest drops in history—over \$7 per hundredweight since last fall. This, too, has been caused in part by the dumping of CCC stocks of feed grain.

We realize that some persons have supported the feed grain program on the ground that it has been an effective way of pouring “free money” from Washington into the feed grain areas. But what is happening currently to livestock, dairy, and poultry prices would indicate a loss in income to feed grain, poultry, dairy, hog, and cattle producers of several times the payments made to feed grain growers under the 1961 and 1962 programs.

From this analysis, it is clear that it cost about \$7.93 per bushel (corn equivalent) for each bushel reduction achieved by the 1961 and 1962 feed grains programs. With corn market prices averaging about \$1 a bushel, this can hardly be viewed as an economical way to reduce feed grain stockpiles.

PAUL FINDLEY.
RALPH BEERMANN.

MINORITY VIEWS OF HON. RALPH HARDING
(DEMOCRAT, OF IDAHO) ON H.R. 4997

I am opposed to H.R. 4997 and therefore I voted against it in committee and intend to vote against it on the floor of the House of Representatives.

I would like to review for my colleagues the history of this program in the House. It was enacted in 1961 as an emergency feed grain program—something that we knew would be expensive and yet hoped would slow down the ever-increasing surplus of feed grains until a permanent program could be enacted. In 1962 we reported out of our House Agriculture Committee H.R. 11222 which provided for a permanent feed grain program. This program would have given the feed grain producers of America a choice between high price supports with rigid controls or no program, which amounts to getting the Government out of feed grain business.

This is a choice that myself along with most of the members of the House Agriculture Committee had thought the farmers had a right to make. However, this program which offered the farmers a choice was defeated on the floor of the House by a vote of 215 to 205. Only one member of the minority joined us in the attempt to give the farmers their choice between a program of production controls and high price supports or a feed grain industry free of Government controls or supports. Throughout the debate members of the minority party called for the defeat of the program stating that if H.R. 11222 was defeated the Agriculture Committee would report out legislation extending the emergency feed grain law of 1961.

Secretary Freeman in a letter to Senator Ellender pointed out:

The long-range feed grain amendment will cost the Government about \$4 billion less over the next 4 crop years than extension of emergency programs as proposed in S. 3225.

The long-range program will reduce surpluses at far lower cost because all producers would participate to bring production in line with needs. Diversion payments under the long-range amendments would be far lower than with the temporary programs.

The long-range programs that Secretary Freeman was speaking about were those contained in H.R. 11222.

We adopted last year the wheat program which has been proposed for a number of years by the National Wheat Growers, the Idaho Wheat Growers, and other representatives of the wheat-producing industry. This wheat program will be before the farmers of America in a referendum on May 21. I sincerely wish that we also had before the farmers of America the long-range feed grain proposal which Secretary Freeman stated combined with the wheat program would save the American taxpayers about \$4 billion over the next 4 years, when compared with the cost of extending the emergency programs.

I concur fully with Secretary Freeman's further views that the emergency feed grain program is a responsible program only as a temporary expedient, that it is extremely expensive and that it provides no assurance that stocks will be reduced.

In a voluntary feed grain program noncooperators offset much of the acreage reduction made by the cooperators. In a program of this type farmer participation is uncertain and is dependent upon crop conditions. It is my sincere hope that this feed grain bill will be defeated, that the wheat referendum will be approved by our wheat producers and that the feed grain farmers of America can be given a choice in the future between a workable, long-term, mandatory program and no program at all. It would further be my hope that should the mandatory program be adopted that the taxpayers of America would realize the accumulative savings of some \$3 billion or about a billion dollars annually in 1964-66 as estimated by Secretary Freeman.

RALPH R. HARDING.



88TH CONGRESS
1ST SESSION

H. R. 4997

[Report No. 180]

IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 1963

Mr. POAGE introduced the following bill; which was referred to the Committee on Agriculture

APRIL 2, 1963

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To extend the feed grain program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Feed Grain Act of 1963."

4 SEC. 2. Section 105 of the Agricultural Act of 1949, as
5 amended, is amended—

6 (1) by changing the period at the end of subsec-
7 tion (a) to a colon and adding the following: "*Provided,*
8 That in the case of any crop for which an acreage diver-
9 sion program is in effect for feed grains, the level of
10 price support for corn of such crop shall be at such level
11 not less than 65 per centum or more than 90 per centum

1 of the parity price therefor as the Secretary determines
 2 necessary to achieve the acreage reduction goal estab-
 3 lished by him for the crop.”

4 (2) by adding the following new subsection (d) :

5 “(d) The provision of this subsection shall be applicable
 6 with respect to ~~any crop~~ *the 1964 crop and the 1965 crop*
 7 of feed grains ~~for which~~ *if* an acreage diversion program is
 8 in effect under section 16(h) of the Soil Conservation and
 9 Domestic Allotment Act, as amended. The Secretary shall
 10 require as a condition of eligibility for price support on the
 11 crop of any feed grain which is included in the acreage
 12 diversion program that the producer shall participate in the
 13 diversion program to the extent prescribed by the Secretary,
 14 and, if no diversion program is in effect *for the 1964 crop*
 15 *or the 1965 crop*, he may require as a condition of eligibility
 16 for price support on ~~any~~ *such* crop of feed grains that the
 17 producer shall not exceed his feed grain base: *Provided,*
 18 *That the Secretary may provide that no producer of malting*
 19 *barley shall be required as a condition of eligibility for price*
 20 *support for barley to participate in the acreage diversion*
 21 *program for feed grains if such producer has previously pro-*
 22 *duced a malting variety of barley, plants barley only of an*
 23 *acceptable malting variety for harvest, does not knowingly*
 24 *devote an acreage on the farm to barley in excess of 110 per*
 25 *centum of the average acreage devoted on the farm to barley*

1 *in 1959 and 1960, does not knowingly devote an acreage on*
2 *the farm to corn and grain sorghums in excess of the average*
3 *acreage devoted on the farm to corn and grain sorghums in*
4 *1959 and 1960, and does not devote any acreage devoted*
5 *to the production of oats and rye in 1959 and 1960 to the*
6 *production of wheat pursuant to the provisions of section 3.28*
7 *of the Food and Agriculture Act of 1962. Such portion of*
8 *the support price for any feed grain included in the acreage*
9 *diversion program as the Secretary determines desirable to*
10 *assure that the benefits of the price support and diversion*
11 *programs inure primarily to those producers who cooperate*
12 *in reducing their acreages of feed grains shall be made avail-*
13 *able to producers through payments in kind. Such payments*
14 *in kind shall be made on the number of bushels of such feed*
15 *grain determined by multiplying the actual acreage of such*
16 *feed grain planted on the farm for harvest by the adjusted*
17 *average yield per acre. The base period used in determining*
18 *such adjusted average yield shall be the same as that used*
19 *for purposes of the acreage diversion program formulated*
20 *under section 16 (h) of the Soil Conservation and Domestic*
21 *Allotment Act, as amended. The Secretary may make not*
22 *to exceed 50 per centum of any payments hereunder to*
23 *producers in advance of determination of performance. Such*
24 *payments in kind shall be made through the issuance of*
25 *negotiable certificates which the Commodity Credit Corpora-*

tion shall redeem for feed grains (such feed grains to be valued by the Secretary at not less than the current support price minus that part of the current support price made available through payments in kind, plus reasonable carrying charges) and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. The Secretary shall provide for the sharing of such certificates among the producers on the farm on the basis of their respective shares in the crop produced on the farm with respect to which such certificates are issued, or the proceeds therefrom. If the operator of the farm elects to participate in the acreage diversion program, price support for feed grains included in the program shall be made available to the producers on such farm only if such producers divert from the production of such feed grains in accordance with the provisions of such program an acreage on the farm equal to the number of

1 acres which such operator agrees to divert, and the agree-
2 ment shall so provide.”

3 SEC. 3. Section 16 of the Soil Conservation and Domes-
4 tic Allotment Act, as amended, is amended by adding the
5 following new subsection:

6 “(h) Notwithstanding any other provision of law—

7 “(1) ~~Beginning with the 1964 crop,~~ *For the 1964*
8 *crop and the 1965 crop of feed grains,* if the Secretary
9 determines that the total supply of feed grains will,
10 in the absence of an acreage diversion program, likely
11 be excessive, taking into account the need for an ade-
12 quate carryover to maintain reasonable and stable sup-
13 plies and prices of feed grains and to meet any national
14 emergency, he may formulate and carry out an acreage
15 diversion program for feed grains, without regard to
16 provisions which would be applicable to the regular
17 agricultural conservation program, under which, subject
18 to such terms and conditions as the Secretary determines,
19 conservation payments in amounts determined by the
20 Secretary to be fair and reasonable shall be made to
21 producers who divert acreage from the production of
22 feed grains to an approved conservation use and in-
23 crease their average acreage of cropland devoted in

1 1959 and 1960 to designated soil-conserving crops or
2 practices including summer fallow and idle land by an
3 equal amount. Payments shall not be made in amounts
4 in excess of 50 per centum of the estimated basic county
5 support rate, including that part of the support price
6 made available through payments in kind, on the normal
7 production of the acreage diverted from the commodity
8 on the farm based on its adjusted average yield per
9 acre. Notwithstanding the foregoing provisions, the
10 Secretary may permit such diverted acreage to be de-
11 voted to the production of guar, sesame, safflower, sun-
12 flower, castor beans, mustard seed, and flax, if he de-
13 termines that such crops are not in surplus supply and
14 will not be in surplus supply if permitted to be grown
15 on the diverted acreage, subject to the condition that
16 payment with respect to diverted acreage devoted to any
17 such crop shall be at a rate determined by the Secretary
18 to be fair and reasonable, taking into consideration the
19 use of such acreage for the production of such crops,
20 but in no event shall the payment exceed one-half
21 the rate which would otherwise be applicable if such
22 acreage were devoted to conservation uses, and no price
23 support shall be made available for the production of any
24 such crop on such diverted acreage. The base period
25 for the purpose of determining the adjusted average

1 yield in the case of payments with respect to the 1964
2 crop shall be the four-year period 1959-1962, and in
3 the case of payments with respect to ~~any subsequent~~ *the*
4 *1965* crop shall be the ~~most recent~~ five-year period
5 determined by the Secretary to be representative for
6 which statistics are available 1959-1963. The term
7 'feed grains' means corn, grain sorghums, barley, and,
8 if for any crop the producer so requests for purposes of
9 having acreage devoted to the production of wheat con-
10 sidered as devoted to the production of feed grains,
11 pursuant to the provisions of section 328 of the Food and
12 Agriculture Act of 1962, the term 'feed grains' shall
13 include oats and rye: *Provided*, That acreages of corn,
14 grain sorghums, and barley shall not be planted in lieu of
15 acreages of oats and rye: *Provided further*, That the
16 acreage devoted to the production of wheat shall not be
17 considered as an acreage of feed grains for purposes of
18 establishing the feed grain base acreage for the farm for
19 subsequent crops. Such feed grain diversion program
20 shall require the producer to take such measures as the
21 Secretary may deem appropriate to keep such diverted
22 acreage free from erosion, insects, weeds, and rodents.
23 The acreage eligible for participation in the program
24 shall be such acreage (not to exceed 50 per centum of
25 the average acreage on the farm devoted to feed grains

1 in the crop years 1959 and 1960 or twenty-five acres,
2 whichever is greater) as the Secretary determines neces-
3 sary to achieve the acreage reduction goal for the crop.
4 Payments shall be made in kind. The average acreage
5 of wheat produced on the farm during the crop years
6 1959, 1960, and 1961, pursuant to the exemption pro-
7 vided in section 335 (f) of the Agricultural Adjustment
8 Act of 1938, prior to its repeal by the Food and Agri-
9 culture Act of 1962, in excess of the small farm base
10 acreage for wheat established under section 335 of the
11 Agricultural Adjustment Act of 1938, as amended, shall
12 be considered as an acreage of feed grains produced in
13 the crop years of 1959 and 1960 for purposes of estab-
14 lishing the feed grain base acreage for the farm, and the
15 rate of payment for diverting such wheat shall be an
16 amount determined by the Secretary to be fair and
17 reasonable in relation to the rates of payment for divert-
18 ing feed grains. The Secretary may make such adjust-
19 ments in acreage and yields as he determines necessary
20 to correct for abnormal factors affecting production, and
21 to give due consideration to tillable acreage, crop-rota-
22 tion practices, types of soil, soil and water conservation
23 measures, and topography. To the extent that a pro-
24 ducer proves the actual acreages and yields for the farm,
25 such acreages and yields shall be used in making deter-

minations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. *Notwithstanding any other provision of this subsection (h) (1), barley shall not be included in the program for a producer of malting barley exempted pursuant to section 105(d) of the Agricultural Act of 1949 who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.*

“(2) Notwithstanding any other provision of this subsection, not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: Suitably of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary

1 determines should be considered for the purpose of
2 establishing fair and equitable feed grain bases. An
3 acreage equal to the feed grain base so established for
4 each farm shall be deemed to have been devoted to feed
5 grains on the farm in each of the crop years 1959 and
6 1960 for purposes of this subsection except that pro-
7 ducers on such farm shall not be eligible for conservation
8 payments for the first year for which the feed grain base
9 is established.

10 “(3) There are hereby authorized to be appro-
11 priated such amounts as may be necessary to enable the
12 Secretary to carry out this section 16 (h). Obligations
13 may be incurred in advance of appropriations therefor
14 and the Commodity Credit Corporation is authorized to
15 advance from its capital funds such sums as may be
16 necessary to pay administrative expenses in connection
17 with such program during the fiscal year ending June
18 30, 1964, and to pay such costs as may be incurred in
19 carrying out paragraph (4) of this subsection.

20 “(4) The Secretary shall provide by regulations
21 for the sharing of payments under this subsection among
22 producers on the farm on a fair and equitable basis and
23 in keeping with existing contracts.

24 “(5) Payments in kind shall be made through the
25 issuance of negotiable certificates which the Commodity

1 Credit Corporation shall redeem for feed grains and,
2 notwithstanding any other provision of law, the Com-
3 modity Credit Corporation shall, in accordance with
4 regulations prescribed by the Secretary, assist the pro-
5 ducer in the marketing of such certificates. In the
6 case of any certificate not presented for redemption
7 within thirty days of the date of its issuance, reason-
8 able costs of storage and other carrying charges, as
9 determined by the Secretary, for the period beginning
10 thirty days after its issuance and ending with the date
11 of its presentation for redemption shall be deducted from
12 the value of the certificate. Feed grains with which
13 Commodity Credit Corporation redeems certificates pur-
14 suant to this paragraph shall be valued at not less than
15 the current support price, minus that part of the current
16 support price made available through payments in kind,
17 plus reasonable carrying charges.

18 “(6) Notwithstanding any other provision of law,
19 the Secretary may, by mutual agreement with the pro-
20 ducer, terminate or modify any agreement previously
21 entered into pursuant to this subsection if he determines
22 such action necessary because of an emergency created
23 by drought or other disaster, or in order to prevent or
24 alleviate a shortage in the supply of feed grains.”

25 SEC. 4. Section 326 of the Food and Agriculture Act

1 of 1962, as amended, is amended by deleting the word
 2 “and” immediately preceding “(g)” and inserting imme-
 3 diately after “(g)” the following: “and (h)”.

88TH CONGRESS
 1ST SESSION

H. R. 4997

Union Calendar No. 66

[Report No. 180]

A BILL

To extend the feed grain program.

By Mr. Poage

MARCH 19, 1963

Referred to the Committee on Agriculture

APRIL 2, 1963

Reported with amendments, committed to the Com-
 mittee of the Whole House on the State of the
 Union, and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
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or cited)

Issued April 9, 1963
For actions of April 8, 1963
88th-1st; No. 51

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HIGHLIGHTS; House committee reported supplemental appropriation bill. Senate debated wilderness preservation bill. Senate committee reported bills to: Provide youth employment programs; establish water resources research centers at land-grant colleges. House committee reported youth employment program bill. Reps. Hechler and Blatnik urged reinstatement of accelerated public works appropriation in supplemental appropriation bill. Rep. Perkins introduced and discussed bill to provide expanded water resource development program in Appalachian Highlands area.

HOUSE

1. APPROPRIATIONS. The Appropriations Committee reported (Apr. 5, during adjournment of the House) H. R. 5517, the supplemental appropriation bill, 1963 (H. Rept. 198) (p. 5523-4). Attached to this Digest is a summary table showing the budget estimates and committee action on items for this Department. In addition, the bill includes \$25,000,000 for the President for disaster relief, \$25,000,000 for the GSA General Supply Fund, \$3,350,000 for the Revolving Fund, Virgin Islands Corporation, \$200,000 for the Bureau of Outdoor Recreation, \$625,000 for Commerce Department for transportation research, \$250,000 for the State Department for organizing and holding the World Food Congress in the U. S., and various amounts for payment of judgments and claims against departments and agencies. The Committee disapproved the \$500,000,000 requested in the budget estimate to finance additional projects under the Public Works Acceleration Act. The Com-

mittee included a provision that departments and agencies absorb five percent of the supplemental request for increased pay costs, except where items are specifically increased or decreased in the bill.

The Rules Committee reported a resolution waiving points of order on this bill. p. 5524

Reps. Hechler and Blatnik urged restoration of the \$450 million accelerated public works supplemental appropriation removed by the House Appropriations Committee. pp. 5507-8

2. WILDERNESS. Rep. Shelley urged establishment of a "national wilderness preservation system for the permanent good of the whole people of our Nation." pp. 5518-9

3. YOUTH EMPLOYMENT. The Education and Labor Committee reported without amendment H. R. 5131, to authorize the establishment of a Youth Conservation Corps and to authorize State and community youth employment programs. (H. Rept. 199). p. 5524

4. FEED GRAINS. The Committee report on H. R. 4997, the proposed Feed Grain Act of 1963 (see Digest No. 48), includes a summary of the bill as follows:

"The bill would provide for a voluntary feed grain program for 1964 and 1965 very similar to that in effect for 1963.

"Under the bill, price support for corn, if a feed grain acreage diversion program is in effect, would be between 65 and 90 percent of parity to those producers who participate in the acreage diversion program. Price support for other feed grains would be comparable to that for corn. If no acreage diversion program is in effect, the support price would be at the level authorized by the Food and Agriculture Act of 1962 but may be restricted to those producers who do not exceed the feed grain base established for the farm. A portion of the price support would be made in the form of a payment in kind.

"An acreage diversion program would be in effect if it is determined that, in the absence of such a program, the total supply of feed grains will likely be excessive. Payments in kind not to exceed 50 percent of the support price (including that portion of the support price made in kind) on the normal production of the acreage diverted, are authorized.

"The base acreage used to determine the percentage of land to be diverted would continue to be the 1959 and 1960 average adjusted acreage. However, the average acreage of wheat for 1959, 1960, and 1961 produced under the feed wheat exemption (sec. 335(f) of the Agricultural Adjustment Act of 1938, as amended) in excess of the small farm wheat base established for the farm would be included in the feed grain base.

"Provision is made to reserve not to exceed 1 percent of the estimated State feed base for apportionment to farms on which there were no acreages devoted to feed grains during 1959 and 1960, with specific guidelines for apportioning the reserve to such farms. Farms that receive bases under this provision would not be eligible for land diversion payments in the first year.

"The adjusted yield used to determine the normal production for price support payments and land diversion payments for the 1964 crop would be based on the 1959-62 average yield and for the 1965 crop the 1959-63 average yield.

"The acreage to be diverted would be determined as that necessary to achieve the acreage goal but could not exceed the larger of 50 percent of the base or 25 acres.

"Payment in kind involved in the price support and acreage diversion program would be in the form of negotiable certificates with CCC authorized to redeem such certificates for feed grains valued at not less than the current support price less that part of the support price made available through pay-

ments in kind, plus reasonable carrying charges.

"The definition of feed grains has been revised to include oats and rye if the producer so requests, in which case the producers could if they so desired, to have feed grain acreage devoted to the production of wheat considered as devoted to the production of feed grains. However, corn, grain sorghums, or barley shall not be planted in lieu of oats or rye.

"The bill contains a number of other provisions, some of which are generally similar to those in effect under the current program, such as (a) the requirement to increase the acreage of cropland devoted to conservation, summer fallow, and idle by the number of acres diverted, (b) the acreage diverted may be used for designated crops with the land diversion payment not more than one-half the rate which would otherwise be applicable, (c) up to 50 percent of the price support and land diversion payments may be made in advance of determining performance, and (d) authority to exempt malting barley."

5. FOREIGN TRADE. Rep. Ryan inserted a speech by Harold Wilson, expressing fear that anything done in freeing trade and expanding national production would "run in a measurable period of time into a crisis of world liquidity." pp. 5512-4
Rep. Harsha criticized the Commerce Department for issuing export licenses authorizing shipment of strategic materials to Communist nations. p. 5517
6. PERSONNEL; RETIREMENT. Received from the Civil Service Commission a proposed bill "to amend the automatic-separation provisions of the Civil Service Retirement Act"; to Post Office and Civil Service Committee. p. 5523
7. BUILDINGS. The Rules Committee reported a resolution for consideration of H. R. 5207, to authorize additional appropriations for foreign buildings including Agricultural Attache housing. p. 5524

SENATE

8. WILDERNESS PRESERVATION; FORESTRY. Began debate on S. 4, to provide for the establishment of a wilderness preservation system (pp. 5544-62). Agreed to the committee amendments en bloc and the bill as amended will be considered as original text for the purpose of further amendment (pp. 5546-9). Agreed to a unanimous-consent agreement limiting to one hour debate on each amendment and on the question of final passage. (p. 5551).
Sen. Allot submitted amendments intended to be proposed to this bill, S. 4. p. 5534
9. YOUTH EMPLOYMENT. The Labor and Public Welfare Committee reported (on Apr. 5, during adjournment of Senate) with an amendment S. 1, to authorize the establishment of youth employment programs, including a Youth Conservation Corps (S. Rept. 111). p. 5526
Sen. Yarborough urged enactment of the youth employment program bill as "a necessary step toward beginning to solve some of the problems our urban industrialized economy has created for today's youth." p. 5541
Sen. Goldwater submitted an amendment intended to be proposed to this bill, S. 1. p. 5534
0. WATER RESOURCES; RESEARCH. The Interior and Insular Affairs Committee reported without amendment S. 2, to provide for the establishment of water resources research centers at land-grant colleges and State universities (S. Rept. 117), p. 5528
1. RECLAMATION. The Interior and Insular Affairs Committee reported (on Apr. 5, during adjournment of the Senate) without amendment S. 982, to permit the

Secretary of the Interior to continue to deliver water to lands in the third division, Riverton reclamation project, Wyo. (S. Rept. 112). p. 5526

12. FOREIGN AID. Sen. Fong criticized expenditures for some of the projects under the foreign aid program and urged a "thorough overhaul" of the program. pp. 5540-1
13. ELECTRIFICATION. The Interior and Insular Affairs Committee (on Apr. 5, during adjournment of the Senate) voted to report (but did not actually report) S. 1007, to guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal hydroelectric plants in that area. p. D210
14. CONGRESSIONAL ORGANIZATION; TESTIMONY. Sen. Clark urged a reorganization of Congress to expedite its work, suggested that Cabinet officers be permitted to appear before joint meetings of committees having jurisdiction over the same subject matter, and inserted a table showing the amount of time spent by Cabinet officers in appearing before congressional committees during the 87th Congress. pp. 5565-7
15. TRANSPORTATION. Received a Vt. Legislature resolution protesting a proposed increase in truck rates charged by southern carriers. pp. 5527-8
16. AREA REDEVELOPMENT. Sen. Douglas announced that hearings by the Subcommittee on Production and Stabilization of the Banking and Currency Committee on S. 1163, to amend provisions of the Area Redevelopment Act, will begin Apr. 30, instead of Apr. 22 as previously announced. p. 5534
17. APPROPRIATIONS. The "Daily Digest" states that the subcommittee of the Appropriations Committee completed hearings Apr. 5 on fiscal 1964 budget estimates for this Department and related agencies. p. D209

ITEMS IN APPENDIX

18. PUBLIC WORKS. Extension of remarks of Rep. Kee urging Congress to appropriate the full \$500 million requested by the President for the vital accelerated public works program. p. A2061
Extension of remarks of Rep. Blatnik inserting a list of the accomplishments of the accelerated public works program. pp. A2100-1
Extension of remarks of Rep. Patman inserting a list of project applications pending under the accelerated public works and Area Redevelopment programs. pp. A2110-42
19. MANPOWER TRAINING. Extension of remarks of Rep. Curtis inserting two articles which "point out the non-Federal work which is being done in retraining." pp. A2062-3
20. EMPLOYMENT. Extension of remarks of Rep. Curtis inserting an article urging "greater attention to specific measures to combat unemployment rather than pin too much hope on general fiscal and monetary policies designed to increase aggregate demand." p. A2067
21. ASC COMMITTEES. Extension of remarks of Rep. Randall paying tribute to the "farmer ASCS committeemen who administer most of the action programs of the Department of Agriculture." pp. A2076-7

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HIGHLIGHTS: House Rules Committee cleared feed grain bill. Senate passed bill for transfer of cotton allotments in disaster areas. Sen. Morse urged stronger actions to gain entry of U. S. agricultural products in Common Market. Both Houses received President's proposal to establish National Service Corps. Rep. Dowdy opposed wheat referendum and discussed its effect on the other producers.

HOUSE

1. FEED GRAINS. The Rules Committee reported a resolution for consideration of H. R. 4997, to extend the feed grain program. p. 6047
2. WHEAT; LIVESTOCK. Rep. Dowdy recommended against passage of the wheat referendum and its effects upon other commodities. pp. 6035-6
3. APPROPRIATIONS. Rep. Cannon explained the status of the current appropriation bills and compared the supplemental appropriation bill not passed in the last session of Congress with the one recently passed. pp. 6036-9

4. FOREIGN AFFAIRS. Rep. Oliver Bolton criticized USDA's press release stating that "the failures of Soviet agriculture were due to bad weather alone" in 1962. pp. 6040-1
5. NATIONAL PARKS. Rep. Ichord urged establishment of the Ozark National Rivers area as a national park. pp. 6014-5
6. GOVERNMENT CONTROLS. Rep. Kyl criticized increased Government controls over the farmers, especially noting the wheat referendum. p. 6016
7. EXPENDITURES. Rep. Foreman criticized the level of Government spending. pp. 6016-7
8. TAXATION. Rep. Jennings inserted a speech by Treasury Under Secretary Fowler explaining the advantages of the President's tax reduction program. pp. 6045-
9. LEGISLATIVE PROGRAM. Rep. Albert announced that on Mon., Apr. 22, the Consent and Private Calendars will be called; on Wed., Apr. 24, the House will take up H. R. 4997, to extend the feed grains program, and on Thurs. and the balance of the week, H. R. 1762, outdoor recreation. Rep. Albert also stated that the Appropriations Committee desires to bring up the Labor-HEW bill on Apr. 29. pp. 6030-1
10. ADJOURNED until Mon., Apr. 22. p. 6046

SENATE

11. COTTON. Passed without amendment H. R. 5067, to extend to the 1963 cotton crop the authority to permit farmers with flooded-out cotton acreage to transfer their cotton allotments to another farm in the same or an adjoining county operated by the same farmer. This bill will now be sent to the President. p. 6081
12. FOREIGN TRADE. Sen. Morse criticized European Common Market restrictions on the importation of U. S. agricultural products and urged the administration to take stronger actions in negotiating for the entry of our agricultural products into Common Market countries. pp. 6136-8
13. DAIRY INDUSTRY. Sen. Sparkman referred to "complaints received from independent dairy processors about unfair, discriminatory, and predatory competitive practices in connection with the sale of milk and milk products," and inserted a statement by a Federal Trade Commission official reviewing actions taken by the Commission to prevent mergers in the dairy industry. pp. 6112-3
14. WATER RESOURCES. S. 2, to provide for the establishment of water resources research centers at land-grant colleges and State universities, was made the unfinished business of the Senate, with debate to begin Mon., Apr. 22. p. 6111
Sen. Anderson inserted an address by the former director of the Calif. Department of Water Resources presenting "a perceptive and thoughtful discussion of Federal-State water rights issues and of the potentialities of S. 1111 in helping to resolve such conflicts and facilitate river basin planning." pp. 6104-8
15. NATIONAL SERVICE CORPS. Both Houses received from the President a proposed bill "to provide for a National Service Corps to strengthen community service programs in the United States"; to H. Education and Labor and S. Labor and Public Welfare Committees. pp. 6047, 6082

CONSIDERATION OF H.R. 4997

APRIL 11, 1963.—Referred to the House Calendar and ordered to be printed

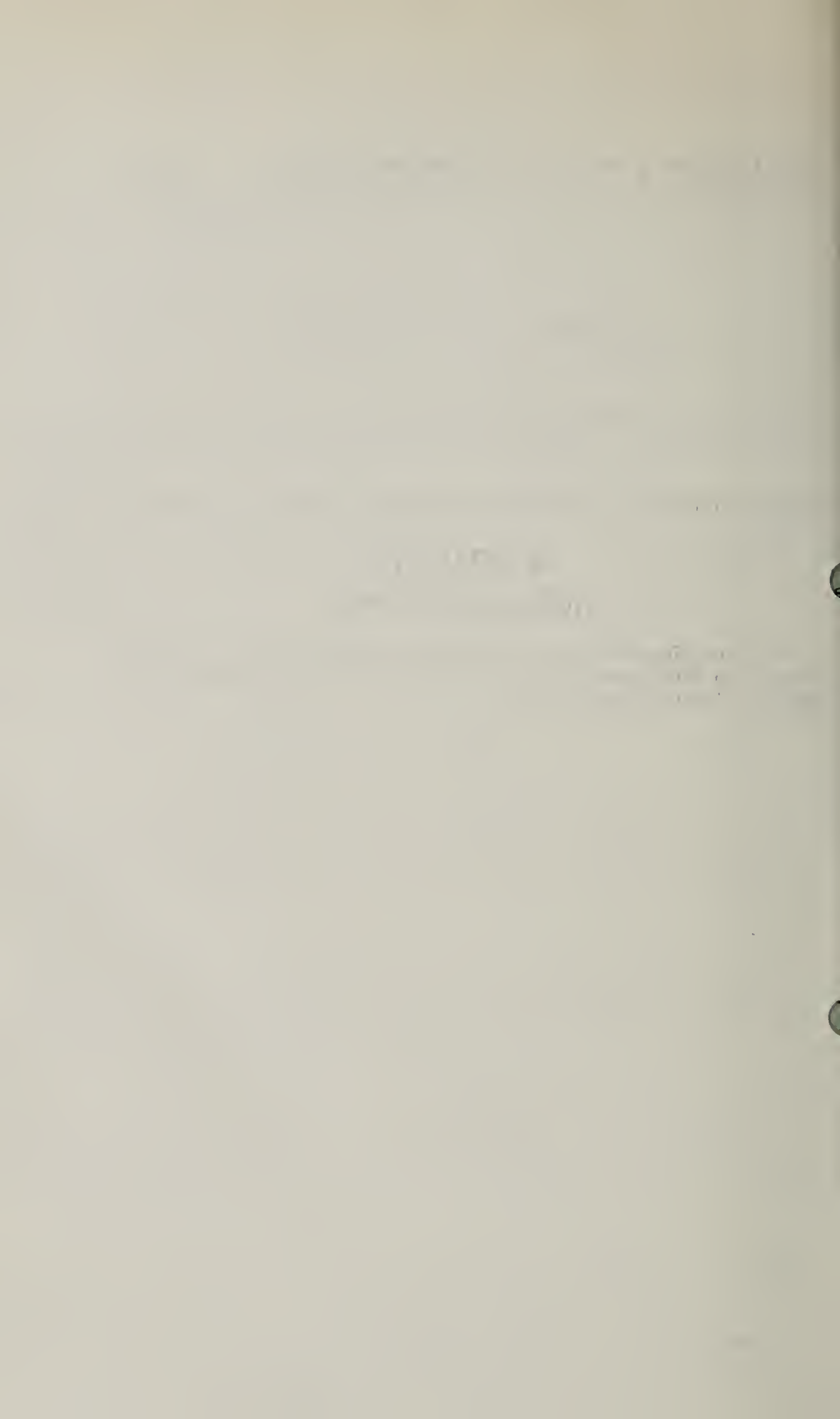
Mr. ELLIOTT, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 320]

The Committee on Rules, having had under consideration House Resolution 320, report the same to the House with the recommendation that the resolution do pass.





House Calendar No. 47

88TH CONGRESS
1ST SESSION

H. RES. 320

[Report No. 214]

IN THE HOUSE OF REPRESENTATIVES

APRIL 11, 1963

Mr. ELLIOTT, from the Committee on Rules, reported the following resolution;
which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the Union
4 for the consideration of the bill (H.R. 4997) to extend the
5 feed grain program. After general debate, which shall be
6 confined to the bill and shall continue not to exceed three
7 hours, to be equally divided and controlled by the chairman
8 and ranking minority member of the Committee on Agri-
9 culture, the bill shall be read for amendment under the five-
10 minute rule. At the conclusion of the consideration of the
11 bill for amendment, the Committee shall rise and report the
12 bill to the House with such amendments as may have been

- 1 adopted, and the previous question shall be considered as
- 2 ordered on the bill and amendments thereto to final passage
- 3 without intervening motion except one motion to recommit.

88TH CONGRESS
1ST SESSION

H. RES. 320

House Calendar No. 47

[Report No. 214]

RESOLUTION

Providing for the consideration of H.R. 4997,
a bill to extend the feed grain program.

By Mr. ELLIOTT

APRIL 11, 1963

Referred to the House Calendar and ordered to be
printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

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HIGHLIGHTS: House passed feed grains bill. House committee reported Labor-HEW appropriation bill. House committee voted to report Area Redevelopment Act amendments bill.

HOUSE

1. FEED GRAINS. By a vote of 208 to 196, passed with amendments H. R. 4997, to extend the feed grain program to 1964 and 1965 (pp. 6709-51). (See Digest 51 for a summary of the provisions of the bill as reported out of committee.)

Agreed to the following amendments:

By Rep. Michel, to limit diversion payments to not more than 20 percent of the fair market value of the diverted acres involved. p. 6747

By Rep. Smith (Iowa), to authorize the Secretary to adjust the feed grain bases for farms within any State or county to the extent he determines such adjustment to be necessary in order to establish fair and equitable feed grain

bases. pp. 6747-8

By Rep. Michel, to strike out language to permit obligations to be incurred in advance of appropriations and to authorize the CCC to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with the program. p. 6748

Rejected the following amendments:

By Rep. Kyl, to strike out the authority for the Secretary to make payment in kind as part of the price support on corn and other feed grains. pp. 6741-3

By Rep. Harding, 93 to 122, to prohibit further price support payments on feed grains and to require CCC to dispose of its stocks of feed grains on a graduated basis. pp. 6743-4

By Rep. Griffin, 124 to 151, to provide that authority "to make payments, for not growing feed grains, to farmers who never grew feed grains, shall only be effective if and when Congress authorizes payments in like amount to residents of urban areas who are willing not to grow feed grains." pp. 6748-9

Rejected, by a vote of 196 to 205, a motion by Rep. Harvey to recommit the bill to the Agriculture Committee. pp. 6749-50

2. APPROPRIATIONS. The Appropriations Committee reported H. R. 5383, the Labor-HEW and related agencies appropriation bill for fiscal year 1964 (H. Rept. 246 p. 6762
3. AREA REDEVELOPMENT. The Banking and Currency Committee voted to report (but did not actually report) with amendments H. R. 4996, to amend the Area Redevelopment Act. p. D260
4. EXPORT-IMPORT BANK. The Rules Committee reported a resolution for consideration of H. R. 3872, to extend the Export-Import Bank of Washington and increase the lending authority of the Bank. p. 6761
5. LEGISLATIVE PROGRAM. Rep. Albert announced the legislative program for next week as follows: Mon., outdoor recreation development bill; Tues., Labor-HEW appropriation bill; and Wed. and remainder of the week, Export-Import Bank extension and authorization for additional foreign buildings. p. 6751
6. ADJOURNED until Mon., Apr. 29. p. 6761

SENATE

7. COTTON. Sen. Sparkman inserted an analysis and justification of his bill, S. 608, to provide a revised cotton program. pp. 6704-5
8. APPROPRIATIONS. Sen. Smith spoke against establishment of a Joint Committee on Appropriations and recommended that half of the appropriation bills be originated by the Senate. pp. 6683-9
9. SUPPLEMENTAL APPROPRIATIONS. Sen. Proxmire submitted an amendment which he intends to propose, to reduce various items in H. R. 5517, the supplemental appropriation bill. pp. 6681-2
10. TENNESSEE VALLEY AUTHORITY. Sen. Kefauver complimented the results of the work of TVA. pp. 6682-3
11. RECLAMATION. Sen. Neuberger submitted an Ore. Legislature memorial urging early action on the proposal for establishing the Tualatin Valley irrigation project. p. 6706

Appendix

Feed Grain Act of 1963

SPEECH

OF

HON. E. Y. BERRY

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 1963

The House in Committee of the Whole House on the State of the Union had under consideration the bill H.R. 4997 to extend the feed grain program.

Mr. BERRY. Mr. Chairman, much has been said today about the feed grain problem and the farm problem, and a great argument has arisen about how to salve over the problem, but little has been said about the cause of the problem or the solution.

When a cancer breaks out, you can salve the sore externally, but unless major surgery is performed and the cancer removed, the patient will die. This feed grain bill, like most of this farm legislation, is salve on the sore; it does not recognize the cause nor does it recognize the solution.

Much has been said about figures and acreage retirement. Those who sponsor this legislation are proud of the fact that in 1961 the Department was able to divert 25.2 million acres at a cost of only \$782 million. In 1962 they diverted 28.6 million acres at a cost of only \$842 million, and in 1963 they diverted 25.8 million acres at a cost of \$983 million. Those who have opposed the legislation contend that this price for diverted acres is exorbitant.

Let me say, Mr. Chairman, that the price in dollars is not only exorbitant, but the price in agricultural production is 10 times worse. It is foolish, it is asinine, and it is destructive. Let me point out what I mean:

In 1962 there was imported into the United States over 2¾ million head of 1,000-pound beef. This is an increase of one-half million head over 1961.

The Department of Agriculture advises me that on a nationwide basis it requires the production of 28 acres to produce a 1,000-pound beef and put it on the market. For easy figuring and to be safely in line, I have used the figure of 20 acres. On this basis the 2,726,528 head of beef produced in foreign countries and shipped into the United States, which went onto the American market, displaced the production of 54,530,560 American acres. In other words, had we in America, either through quotas or tariffs, reduced beef imports by only 50 percent, there would have been no need for the taxpayers buying 25 or 28 million acres through diversion and hundreds of farmers and ranchers would have been permitted to remain on the farms to raise the beef on

these 38 million acres that was otherwise removed from production by beef imports.

Instead of bragging about how the Department of Agriculture was able to take 25 million acres out of production for \$983 million, suppose we had permitted the American farmer to raise the beef imported last year. It would have saved the American taxpayer not \$983 million, but three times that amount, because the 2¾ million head of beef displaced the production of more than 54 million acres.

This is only one example. During the past 10 years the disappearance of barley, oats, and rye has been greater than the domestic production of barley, oats, and rye, and yet the American taxpayer is called upon to spend some \$20 million annually for the storage of barley, oats, and rye. Whose feed grain is being stored? Not the feed grain of the American farmer, but imported feed grain, if you please, while the American farmer is being required to take his acres out of production to make room for barley, oats, and rye imported into this country in direct competition with American production.

Imports of lamb, mutton, and pork jumped several million pounds last year, further displacing thousands of domestic acres. Sugar imports displaced the production of 1.8 million acres, to use only a few examples. This is the cancer, Mr. Chairman; it is the cancer that must be removed instead of sitting here today putting salve on the sore.

The Department of Agriculture tells us today that 10 percent of the beef eaten by Americans last year was imported. In other words, 1 out of 10 farmers are driven from their farm by the imports of beef alone.

Last year when we were considering the farm bill, I pointed out that there were 2¾ million head of beef imported in 1961. Congress took no action, the President took no action, but the State Department was as busy as a beaver. They have been arranging for agricultural imports from almost every country.

For instance, the Argentine press under date of May 9, 1962, carried a big story quoting the U.S. Ambassador, Robert McClintock, to the effect that he was asking the U.S. Government to permit large shipments of cooked beef into the United States. It quoted the Ambassador as saying:

This afternoon, Dr. Urien asked me to cable Washington saying that Argentina was in agreement, in principle, with the scientific recommendations made to inspect meat in Buenos Aires and in the meat packing houses and to have it marked with seals of our inspectors. Thus, cured meat, after undergoing the corresponding process, may enter the United States.

He also said:

Personally, I will see what can be done for my country to buy more Argentine cooked meat.

He added that he would send a telegram to Washington to have an answer on a final decision as soon as possible.

The Argentine press story concluded:

Secretary Urien then announced that a group of U.S. inspectors were coming to Argentina to confirm the excellency of the Argentine meat.

This is only one example of how our Government is deliberately planning to destroy the American farmer by importing the food that goes onto American tables and the fiber that goes onto American backs, requiring the American farmer to year by year reduce his production to make room for these imports.

The American people are propagandized daily about what a wonderful thing the European Common Market is and how the Common Market will take over world trade. This is true because the Common Market countries are protecting their industries and their farmers by tariffs and quotas. Secretary Freeman stated on January 8 that this year we would lose \$800 million of agricultural exports to the Common Market countries. Their tariff on poultry alone kept 300 million pounds of poultry raised for export this year from going into the Common Market countries. This 300 million pounds of unexportable poultry was dumped onto the domestic market and had more to do with the slump in beef prices than anything else.

If it is good for the Common Market countries to protect their farmers against ruinous imports, why is it not good to protect the American farmer? Why are agricultural imports invited into this country forcing the American farmer out of business, forcing the American taxpayer to spend billions of dollars to subsidize the farm industry, rather than permitting the American farmer to have his own market and raise the food for the American people?

Oh, yes, I know the manufacturers and American business generally are anxious to sell their product abroad and to arrange for the farmers of these foreign countries to be able to market their agricultural products in America to provide dollars to buy machinery and so forth. I submit, Mr. Chairman, that the farmer of the Middle West is a good market. Put him out of business, put him on the rolls of the unemployed, as we have been doing by these so-called farm programs, and industry of the East has lost the best market in the world.

When do we wake up? When do we take a page from the book of the Common Market countries? When do we look back into the pages of American history and see what made this country great?

"The Ugly American"**EXTENSION OF REMARKS**

OF

HON. J. W. FULBRIGHT

OF ARKANSAS

IN THE SENATE OF THE UNITED STATES

Friday, April 26, 1963

Mr. FULBRIGHT. Mr. President, Mr. Richard L. Coe, the well-known and experienced critic of the Washington Post, has written a review of the motion picture film "The Ugly American." I ask unanimous consent that it be printed in the Appendix of the Record.

There being no objection, the review was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 26, 1963]

BRANDO FILM IS A PHONY

(By Richard L. Coe)

"The Ugly American," Universal release produced and directed by George Englund. Screenplay by Stewart Stern, suggested by the novel by William J. Lederer and Eugene Burdick. Photographed in Eastman color by Clifford Stine. Music by Frank Skinner. At the Warner.

(The Cast)

| | | |
|-------------------------|----------|------------------|
| Harrison Carter | MacWhite | Marlon Brando |
| Deong | | Eiji Okada |
| Marion MacWhite | | Sandra Church |
| Homer Atkins | | Pat Hingle |
| Grainger | | Arthur Hill |
| Emma Atkins | | Jocelyn Brando |
| Prime Minister Kwen Sai | | Kukrit Pramoj |
| Joe Bing | | Judson Pratt |
| Rachani | | Reiko Sato |
| Munsang | | George Shibata |
| Senator Brenner | | Judson Laire |
| Sears | | Philip Ober |
| Sawad | | Yee Tak Yip |
| Andrej Krupitzyn | | Steffan Schnabel |
| Col. Chee | | Pock Rock Ahn |

The ads proclaim each moment threatened by the terror just beyond their bedroom door, Marlon Brando tours the land abjuring us to take "The Ugly American" seriously and what are we to make of it?

Nonsense, I regret to say. The key lies in an early scene purporting to be between two old friends united in today's southeast Asia, the American as our Ambassador, the Asiatic as the gentle friend who welcomes him with oriental charm.

Do they discuss, as two such friends unquestionably would, the riot which greeted the American Ambassador on his airport arrival? No, they get drunk fiction style, avoid what two presumably thinking people would talk about and wind up, at evening's end, giving lectures on mistaken ideas. In time, these ideas create a feud which leads to the Asiatic's death and the American's honorable conversion to self-awareness.

This is nothing more than a western about the bad guys and the good guys, misunderstanding and murder. The ad showing the Ambassador and his lady in bed has nothing to do with what goes on, thereby underscoring the film's split personality.

If Brando and his accomplices had wished to make an honorable movie about our current southeast Asia headlines, they should have been less commerce minded and more to the point.

ONLY SENATE SCENE

Their film begins with a supposedly hard-hitting Senate Foreign Relations Committee hearing over the suitability of Ambassador-designate Brando Sarkhan. The scene is oily, not honorable, in conception, playing, or direction. Had I been a member of such

committee I easily would have argued my colleagues into turning down the Presidential appointee on the grounds of smug self-satisfaction. Anyway, Brando, eternally fiddling with his pipe and briefcase, does get the job, walks into the aforementioned scene and wholly demolishes the film's subsequent story.

Had this American and this Sarkhanese been the friends they are stated to have been, what price glory, then? The scene, emphasizing, even in its photography, the difference between them with the subtle force of width, does not support what follows.

Conceivably, the idea of "The Ugly American" is to dramatize our failings but the film dramatically falls into assuming that its critical scene is valid. Because the scene itself is merely facile melodrama, the film's pretensions become (if only gradually) apparent and we are left with the schizoid premise of phony uplift.

FILMED IN THAILAND

The settings are impressive, visibly Thailand, and an actor named Eiji Okada plays the misunderstood rebel, Deong, impressively. Brando is the omnivorous star, eating up every scene. His sister, Jocelyn, is infinitely more the actress, nicely underplaying a helpful American wife who, while her engineer husband (Pat Hingle) has been building a controversial road, is conducting a natives' clinic. Plain and grayhaired, she is what this misdirected, presumptuous film actually should have depicted.

Senator FULBRIGHT's remarks about the film before its creation have been amply fulfilled by: "Each moment threatened by the terror just behind their bedroom door," which has nothing to do with the case except as a come-on.

Sixty-five—Thirty-five Unwisdom**EXTENSION OF REMARKS**

OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 1963

Mr. HOSMER. Mr. Speaker, some of the unwisdom of legislative interference in the allocation of naval ship repair work is indicated in the following editorial of April 21 in the Tri-City, Wash., Herald:

DEFENSE IS MOST IMPORTANT

A proposal in Congress that at least 35 percent of the money spent on naval ship repair or alterations be spent in private shipyards may well be the death knell for institutions like the Puget Sound Naval Shipyard in Bremerton.

For approximately 90 percent of the new-ship construction is already being done in private shipyards. Now naval shipyards presumably would be forced to give up a major slice of their repair and alteration work.

The idea seems completely without merit. It appears to be more a case of being penny-wise and pound foolish.

In time of peace it may be possible to do the work in private yards and save some money too. But at what cost?

A House subcommittee 2 years ago made a study of a similar proposal. Its conclusion—one which is no less valid today—was that the existing naval-shipyard-support complex "is essential to our national defense."

Any effort to reduce or abolish this support system, the subcommittee found, would result in reducing naval strength.

Such an effort would then—and would be now—tampering with our national security by reducing our ability to defend ourselves.

We cannot afford now or ever to put dollars ahead of our national security.

A case at point concerns the Puget Sound Bridge & Drydock Co. in Seattle which won a contract to convert two Navy fleet oilers, part of the \$15 million contract will be sublet to Japanese shipyards. Two torpedo boats have been built in Norwegian shipyards.

It seems inconceivable that Congress would seek to knock our naval shipyards in the head and yet the trend seems to be toward that type of killing blow. We trust wiser minds in our Congress will call a halt to this before critical damage is done.

Old West Stories**EXTENSION OF REMARKS**

OF

HON. A. WILLIS ROBERTSON

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Friday, April 26, 1963

Mr. ROBERTSON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article written by Kenneth E. Crouch and published in the Bedford Bulletin-Democrat. This article provides an interesting description of the life of a Virginia family that moved in 1886 to the Dakota Territory.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Bedford (Va.) Bulletin-Democrat, Apr. 25, 1963]

VIVID STORIES OF OLD WEST TOLD BY SOUTHWEST SIDE RESIDENT

(By Kenneth E. Crouch)

Between "The White House" and Staunton Baptist Church, on the west side of the Anthony's Ford Road in a grove, stands a unique granite marker simply inscribed "Saunders—James G. Saunders, born July 26, 1841, died October 15, 1914; Mattie C. Saunders, born March 25, 1847, died November 7, 1916."

This simple inscription, on a marker over 7 feet tall, fails to record the career of a famous son of the southside in the War Between the States and in pioneering in the Dakota Territory.

The many interesting exploits of this man and his family can be told today with vivid memory by his 83-year-old daughter, Mrs. Sabra Saunders Palmer, who lives with a son and daughter-in-law, Mr. and Mrs. Philip A. Palmer, near the Staunton River High School site on Route 24.

IN THE OLD WEST

A visit with Mrs. Palmer, who lived for many years in the Dakota Territory, gives one a fascinating personal account of the early days of the old West. Mrs. Palmer was born at Union Hall, in Franklin County, daughter of James Goob and Mattie Dudley Saunders.

Mr. Saunders served 4 years in the Confederate Army, a member of the first outfit to leave Bedford County for service.

His unit was the Rifle Grays, later to be known as Company B, 14th Regiment, Virginia Infantry, Armistead's Brigade, Longstreet's Division, which was formed at Mount Pleasant Academy west of Huddleston and left April 24, 1861, for the war. Mr. Saunders was twice wounded, once at the Battle of Seven Pines.

House of Representatives

THURSDAY, APRIL 25, 1963

The House met at 11 o'clock a.m.

Rev. Jack D. Smith, pastor of the First Methodist Church of Sylvania, Ga., offered the following prayer:

Our great and eternal God, we give Thee thanks for all that Thou has provided for us in this great and abundant America of ours. Above all we thank Thee for consecrated leadership, for the pride and interest and endurance of men and women who give of the best that life has to offer that our country may not just survive but that it may grow in grace, and peace, and wisdom. God give us great consecrated courage and give us convictions to go with that courage that we may put it to practice for the use of all mankind.

We pray in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed a bill and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 980. An act to provide for the holding terms of the United States District Court for the District of Vermont at Montpelier and St. Johnsbury; and

S.J. Res. 39. Joint resolution designating the week of May 20-26, 1963, as National Actors' Equity Week.

LABOR, HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1964

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on the bill making appropriations for the Departments of Labor, and Health, Education, and Welfare and related agencies for the fiscal year 1964, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. LAIRD reserved all points of order on the bill.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the subcommittees of the Committee on Interstate and Foreign Commerce may be permitted to sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

CALL OF THE HOUSE

Mr. DEROUNIAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 25]

| | | |
|----------------|----------------|----------------|
| Ashley | Goodling | Rich |
| Retts | Healey | Rivers, Alaska |
| Broomfield | Hébert | Roosevelt |
| Broyhill, N.C. | Henderson | Shelley |
| Burton | Karth | Stabler |
| Cameron | Lennon | Totten |
| Celler | Lipcomb | Walter |
| Curtis | Macdonald | Watson |
| Davis, Ga. | Miller, Calif. | White |
| Diggs | Pepper | Widnall |
| Fisher | Powell | Winstead |
| Forrester | Rains | |
| Glenn | Reifel | |

The SPEAKER. On this rollcall 392 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

AUTHORIZING APPROPRIATIONS FOR AIRCRAFT, MISSILES, AND NAVAL VESSELS

Mr. VINSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2440) to authorize appropriations during fiscal year 1964 for procurement, research, development, test, and evaluation of aircraft, missiles, and naval vessels for the Armed Forces, and for other purposes, with Senate amendments thereto, disagree to all of the amendments of the Senate and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

The Chair hears none and appoints the following conferees: Messrs. VINSON, RIVERS of South Carolina, PHILBIN, HÉBERT, ARENDS, GAVIN, and NORBLAD.

PERMISSION TO COMMITTEES TO SIT DURING GENERAL DEBATE TODAY

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent that the Subcom-

mittee on the Panama Canal may be permitted to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may be permitted to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that the Subcommittee on Commerce and Finance of the Committee on Interstate and Foreign Commerce may be permitted to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

FEED GRAIN ACT OF 1963

Mr. ELLIOTT. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 320 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4997) to extend the feed grain program. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. Under the rule the gentleman from Alabama is recognized for 1 hour.

Mr. ELLIOTT. Mr. Speaker, I yield 30 minutes of that time to the gentleman from Ohio [Mr. Brown] and pending that I yield myself such time as I may consume.

(Mr. ELLIOTT asked and was given permission to revise and extend his remarks.)

[Mr. ELLIOTT addressed the House. His remarks will appear hereafter in the Appendix.]

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from Alabama has so well explained, this rule does make in order under 3 hours of general debate the so-called feed grain bill, H.R. 4997, a bill called the Feed Grain Act of 1963, which would fix a program for the production of feed grains during the calendar year of 1964.

The first question that logically pops into the mind of the average Congressman who reads this measure is "Why all the hurry?" Why rush to get this legislation through to take care of feed grain production on the farms of America, not in this calendar year, but in the calendar year of 1964, when in most instances, in sections of the country, corn and seed for the 1963 crop, to be harvested in September or October or even as late as November, has not yet even been planted? But from here we are being called upon to enact a bill for 1964, a crop year that is still over a year away.

I wonder why the hurry? I wonder why the necessity of moving so quickly? Can it be that someone would like to rush this legislation through before the famous or infamous referendum on the administration's proposed wheat program can be held across the Nation on May 21, so American farmers participating therein will have no opportunity to know something about what wheat production or the wheat program may or may not be before they are asked to pass upon a small feed program such as this?

Perhaps, that is the real reason why we have this measure before us today.

I would like to tell my farmer friends, as one who operates a couple of fairly good farms out in Ohio, so I know something about agriculture from personal experience, and as a Member of Congress of some 25 years' experience, as well as a publisher of rural newspapers, as to the serious effect these various farm programs have had on the farmers of the Nation and on our agriculture generally throughout the years. While the program described in H.R. 4997 will be called a volunteer program, as there is no direct actual compulsion in the bill, there is all through this bill well disguised, well covered, provisions that say to the average farmer, "Well, if you are smart you will sign up and join this program or you will not get the benefits, you will not get the promised 'goodies' we hold out for you, in the provisions of this bill."

Mr. Speaker, I have followed through Congress many of the Agriculture Department bills that have been cleared by this body in the past and some of them have been "doosies" as to the methods used, and some of them have been most peculiar, but in this bill we would give more power, more authority, to the Secretary of Agriculture than in

any piece of legislation that has ever been enacted in the past. You give this man, Mr. Freeman, the Secretary of Agriculture, who as far as I know never spent a day of his life on a farm, the power to make all sorts of decisions, and to do all sorts of things not only for, but to, the farmers of the Nation and the Congress as well. We will not only be delegating our authority as Members of Congress, as the legislators for the people of this country, to the Secretary of Agriculture, but we will also be abdicating our own powers, our own responsibilities, our own rights, and our own privileges.

Mr. Speaker, if the Members of this House would just take the time to read this bill, and it is not a long bill, it has just 3 lines over 11 pages, they will find that in almost every sentence, or every paragraph, at least, more and more power, more and more authority, and more and more discretion is placed in the hands or in the mind—whatever you want to call it—of the Secretary of Agriculture.

Mr. Speaker, I have just marked a few places in this bill. On page 2, up in the first line, there is language dealing with parity prices and there are also the words "as the Secretary determines." All through the bill everything is to be "as the Secretary determines" or "in his discretion decides it should be," not as the Congress decides it should be, not as the farmers of the Nation who may join this program decide it should be, or the participants in it, not how anyone else decides, but just one man and his minions that work under him, may decide.

We can go on down the bill, if you please, for I know I have missed several.

It is an interesting experiment just to read this bill over even once. If you do, I believe you will come to the conclusion I am right as to the unusual delegation of power and authority this House is being asked to confer upon the Secretary of Agriculture, Mr. Freeman.

On page 2, line 13, which has to do with how the producer shall participate in the diversion program, the language reads, "to the extent prescribed by the Secretary."

Maybe you can participate and maybe you cannot. That is up to the Secretary. Take the bill and go through it, line by line. Let us turn over to page 3, line 9, where they talk about acreage diversion, "as the Secretary determines desirable."

Who decides? Not the farmer, not the man who owns the land or tills the soil—oh, no. But as this little "god" that sits down the street here on Independence Avenue, between 12th and 14th Streets, may decide in his innate wisdom is in the best interests of the farmers of this Nation, or that of somebody else—I do not know, for we have no assurance who it may or may not be.

It may be a lack of confidence, but I simply do not believe that there is any individual, even the Secretary of Agriculture, who has within himself, within his own little brain, all the knowledge, all the information and all the wisdom, in America, and that the rest of the population have none; that one man

knows more about agriculture and what may affect all the different farm activities in the United States, in different sections of this broad land of ours, because conditions change—knows more than anybody else, and everybody else, combined. And are we so anxious to give him such power over the feed grains crops of 1964 that we are will rush through a bill like this here before the 1963 crop has even been planted.

Let us go on for just a minute more. Let us look at lines 21 and 22 on page 3:

The Secretary may make not to exceed 50 per centum of any payments hereunder to producers.

He "may make," and he may not. It is up to the Secretary. If you are a feed grains producer, how do you know what the Secretary may or may not decide? I would not want to guess.

Here is another one on top of page 4—and I am just hitting the high spots. It says "such feed grains to be valued by the Secretary"—he fixes the value. It is not the market price, not based on supply and demand, nothing else—just on the desires of the Secretary, in his innate wisdom, in his knowledge of all things. He decides. Go down to line 11, if you please, on page 4, which refers to "reasonable costs of storage and other carrying charges"—now, this is after Billy Sol Estes, thank goodness—"reasonable costs of storage and other carrying charges, as determined by the Secretary." Who knows what those charges and costs will be? Any farmer? Any participant in the program, any taxpayer? No, just one person, the Secretary of Agriculture, or some individual he may designate.

Let us go on hurriedly, if we may, because I do not wish to take too much time. Let us look at page 5, line 17. This is one of these "notwithstanding" sections of the bill. It starts off—"Notwithstanding any other provision of law—" certain things can be done, "subject to such terms and conditions as the Secretary determines."

In other words, set aside the laws written by the Congress if the Secretary determines, in his very, very innate wisdom that would be better for the people of the United States, than the laws enacted by the Congress. And it also says "conservation payments in amounts determined by the Secretary to be fair and reasonable."

It is just possible that what Mr. Freeman thinks may be fair and reasonable may not appear to some other person as being fair and reasonable. But others do not have anything to say about it, these hundreds of thousands of tillers of the soil, these men and women who earn their living the hard way. Instead, the decision is made in a plush office down here on Independence Avenue. The determination is made there. The Secretary decides what may be fair and reasonable.

Let us go on to page 6. Let us look at line 9. "Notwithstanding the foregoing provisions," in other words, set it all aside. We have said so and so but we do not mean it.

Notwithstanding the foregoing provisions, the Secretary may permit—and so forth. In other words, if he decides that what Congress has said is not right he can change it and permit something else.

Then line 17, "such crop shall be at a rate determined by the Secretary to be fair and reasonable."

Again, he decides what is fair and reasonable, no one else. Mr. Freeman is a very great man, a very able man, undoubtedly. He must be, because I understand he helped write this bill. It was written down in the Department, so I am told.

Then we go on to page 7, line 20, "shall require the producer to take such measures as the Secretary may deem appropriate."

He decides what measures are appropriate for you to take, the measures you should follow in connection with this program. The Secretary is perhaps an interested party. I do not know. He may have seen this draft, he may have helped to prepare it, if the rumors and reports are correct. He should have known what is in this bill, and I am sure he would not approve of legislation of this type unless he knew it.

Then let us go on to page 8, in which and talk about crop years "as the Secretary determines necessary." He determines what is necessary, no one else, no committee of farmers, just the Secretary.

Then go down a little further to lines 18 and 19 on page 8:

The Secretary may make such adjustments in acreage and yields as he determines necessary.

He makes the decision. He is the Supreme Court, he is the law of the land, he, the Secretary is the almighty that you must turn to for recourse.

Then let us look at the top of page 9:

The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance.

He decides what he will give you or what he will not give you.

We can go on and on. Just read the bill and you will find that.

On page 10, line 10, it reads, "There are hereby authorized to be appropriated such amounts."

We do not fix any amount. The authorization is not spelled out.

There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section.

Of course, he may have to go before the Subcommittee on Agricultural Appropriations. I hope so. Perhaps something could be done there.

Let us go to page 11, about the Commodity Credit Corporation, what it shall and shall not do, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance."

Now, mark these words: "in accordance with regulations prescribed by the Secretary."

He tells the Commodity Credit Corporation just what it can and cannot do, this powerful individual, the Secretary. He must indeed be a very, very wise man.

Then let us look at line 9. It deals with reasonable costs of storage and other carrying charges, "as determined by the Secretary." The words are there for you.

Then let us look at line 18. That is in paragraph (6):

Notwithstanding any other provision of law, the Secretary may, by mutual agreement with the producer, terminate or modify any agreement previously entered into.

He can make any kind of deal he wants. That is quite a lot of power to have.

But if a man is allwise, if he is a man of omniscience and of infallible judgment, then, perhaps, he will not make an unwise agreement. Perhaps, he will treat everybody exactly alike. Perhaps, he will be fair to everyone.

Go through this bill and you find that in it we are being asked not only to hurry through a program for a crop year that will not get underway for another 12 months, but are also being asked to surrender our own powers, rights, and authorities to one man, an appointed official, a member of the Cabinet, yes—but an appointed official just the same—responsible only to the President, to make all the decisions and all giving him more power, authority, and more discretionary rights to act than any individual has ever exercised in that Office in all history.

There should be a warning sign erected, and the House of Representatives should at least know what sort of legislation it is being called upon to vote for or against when this matter comes up for final decision.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore [Mr. Bass]. The Chair recognizes the gentleman from Alabama [Mr. ELLIOTT].

Mr. ELLIOTT. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. ROSENTHAL].

(Mr. ROSENTHAL asked and was given permission to revise and extend his remarks.)

Mr. ROSENTHAL. Mr. Speaker, I am the only member of the House Agriculture Committee representing a constituency in which practically all farming is by the lot, plot, or flowerpot rather than by the acre.

I am elected by voters who grow grass and flowers and maybe a tree or two for personal pleasure rather than profit. Their battles are not with the boll weevil or corn borer, but with crab grass and the bug who would do in the rosebud.

Yet the families who send me to Congress have a continuing interest in the food and agriculture policies and programs of our society. One reason is that they consider themselves not just citizens of a geographical area in New York City, but as citizens of the United States. Another reason they have an interest, and a significant stake, in food and farming is their concern with nutrition and health, and with family and Federal budgets.

There are more buyers and consumers of food and fiber in the Eighth Congressional District of New York than there are farmers in the States of Arkansas,

Illinois, Kansas, Nebraska, and Florida put together.

There are five times as many buyers and consumers of food and fiber in the cities of New York, Chicago, Los Angeles, Philadelphia, and Detroit as there are farmers in all the 50 States.

These statistics constitute a tremendous, and merited, tribute to the approximately 3.5 million American farmers and their families.

Never in all the history of mankind have so few fed so many, so well. One cannot walk into a metropolitan supermarket and see the mountains of meats, vegetables, breads, fruits, and dairy products without knowing gratitude for the bounty of our land and the skill and dedication of our farm people.

However, appreciation is a two-way street. Farmers have made a great contribution to the welfare of consumers. At the same time, in terms of their financial and philosophical and political support of commodity and conservation programs, city consumer-taxpayers have substantially contributed to the welfare of farmers.

The claim that city people do not understand farm problems is quite frequently heard. The record does not support this contention.

I believe city people understand the economic fact that they cannot be assured of plenty of food if farmers must continually produce at a financial loss.

I believe city people understand the necessity for utilizing Federal loans to bring electricity and telephones to farm homes, and I believe they understand these projects create better farm markets for household appliances and services that have city origin.

I believe city people understand the necessity for spending public funds to conserve soil and water so that future generations of Americans may know food and fiber abundance, too.

I believe city people want to preserve the free-enterprise system of family farms.

Perhaps there is more city understanding of the needs and problems and contributions of agriculture than there is rural understanding of the needs and problems and contributions of urban people.

Surely, there must be a parallel between a watershed project and urban renewal, between farm-to-market road development and mass transportation improvements, and between a Department of Agriculture and a Department of Urban Affairs—but if such parallels exist—they haven't been noticeably recognized in rural America.

Perhaps those in farm areas who complain about lack of understanding should be reminded of a centuries-old fact—there is a close relationship between understanding gained and understanding given.

Someone once said education is too important for policymaking in that area to be the sole responsibility of educators. By the same token, maybe food and farming policy determinations are too important to be limited to those who are concerned with fields and pastures.

This concept need not diminish either producers or consumers—it could easily enrich both. And in that framework, the presence of a distinctly urban-consumer representative on the House Agriculture Committee does not necessarily make the committee a home for a displaced person.

In the areas of food supply management, prices, Federal farm spending, utilization of production, balance of trade and conservation of natural resources—no citizen of our society—regardless of whether he ever sees a field of grain or a live chicken, steer, cow or pig—can escape either responsibility or privilege.

The denial of man's right to be an island, entire in himself, applies to both producer and consumer of food. Dependent one upon the other, each carries a responsibility for the other's welfare—each benefits from the other's role in the society.

Mr. Speaker, I believe I represent my district and my State in giving attention to the health and welfare of agriculture. I am just as convinced that the health and welfare of my constituents both physical and financial, should be an integral part of food and farming legislation. I sincerely hope the entire Congress will give such legislation this two-dimensional study.

I do not pretend knowledge of the technical phases of the feed grain program now before us. But it is quite clear that the operation of a similar program over the past 2 years has brought an increase in farm income, a decrease in the Federal expenditures attached to storage of unneeded and unwanted surpluses, and stable prices for consumers.

After all, in urging farmers to expand their productive abilities and facilities in two wars since 1940, all of us gained a measure of responsibility for the growth of surpluses and a measure of blame for failure to adequately attack the problem in the 1950's.

I believe this general responsibility will be terminated, so far as surpluses are concerned, once we have achieved the transition to balance between supplies and current and reserve needs.

There will be, in the coming months, a closer tie between the extent to which farmers use agricultural programs and the extent to which consumer-taxpayers are willing to authorize and finance them.

I am reminded of the story of the two Boy Scouts who approached their leader and asked if they might untie the knots in their kerchiefs, because they had performed their good deed for the day.

What did you do? the leader asked.

We helped a sweet little old lady across the street.

How come it took two of you?

She did not want to go.

I am convinced that the residents of cities and suburbia, who have the most votes, will not continue to help farmers across a street they really do not want to cross.

I am just as convinced that when our farmers want to move toward significant goals, and do it with unity and purpose, they can count upon all the help they need from their fellow citizens.

It is on that basis I shall vote for H.R. 4997.

It is from that viewpoint that I shall consider, and vote for or against, future farm and food legislation.

Mr. BROWN of Ohio. Mr. Speaker, I yield 6 minutes to the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Speaker, my friends over on the right-hand side of the aisle have raised the question several times lately as to why the majority party and the administration have been charged with management of the news. Some of you fail to understand why that charge has been made.

I might say the bill before us today is a very good example, because you have been told two things. You have been told this is a simple extension of the feed grain program that is now operative and a matter of law, and you have been told, too, that it is a voluntary program. I submit, Mr. Speaker, it is neither. Therefore, I think this is a typical example of why the administration and the majority must bear the responsibility and the label that was attached to you for news management. By whom? By Republicans? No. By the press? Yes.

You might inquire why do I say this is not a voluntary program, and why do I allege there is an element of misrepresentation in here. It is a relatively simple thing to explain.

The gentleman from Ohio [Mr. BROWN] spoke to you at some length about the unprecedented delegation of authority to the Secretary of Agriculture under this bill. It really is not unprecedented as far as a proposal is concerned, because the precedent was probably established last year in the compulsory bill that the House rejected.

For those of you who may be having difficulty in making up your minds as to how you should vote on this bill, it is relatively pretty simple, because if you voted against the compulsory feed grain and bushel management bill last year on the floor of the House, you most certainly should vote against this bill today, because it has all the elements of a compulsory feed grain program written in it.

The gentleman from Ohio pointed out in some detail the various examples of delegation of authority. But certainly I would further submit, Mr. Speaker, that if there is any question remaining in the minds of the Members about all of the mechanics being written into this bill that are necessary to make it a compulsory program, I would remind you of two or three simple little provisions appearing in this 1963 feed grain bill. There was a specific stipulation that the subsidy payments would be 18 cents a bushel in the 1963 program. What does it say in this bill? There is no limit at all. As far as I can tell by reading the bill, the subsidy payment can be 25 cents a bushel, it can be 30 cents a bushel. You ask, Is this not good for the farmers? Is this not what you want, a higher farm income? Of course a higher income is desirable. But what I think the Secretary wants to do is to increase the subsidy payments and lower the support price and in that way bring about economic sanctions against the farmer so

he must be a cooperator in the program.

And then I might suggest, too, about the diversion payments. Now, they were very clearly stipulated in the bill last year to be 50 percent of the average annual production. What are they this year? Even if there is a program, it is discretionary with the Secretary of Agriculture whether or not there will be any diversion payments. If I may have your attention just for this one point, even though the Secretary might decide there would be no diversion payments for 1964 and 1965, the implication is the farmer can proceed to plant all the corn he chooses. No. It specifically provides that he shall be denied any support price if he exceeds his acreage allotment. So, this is another example of the compulsion of the economic sanctions that are contained in the proposal.

Now, why are we having this bill here in late April when the feed grain crops have not even been planted for 1963? Frankly, I do not know. I think I know why it is here. But, I asked the gentleman from Texas [Mr. POAGE] when he was before the Committee on Rules, as the Committee on Agriculture was leaving the room, if he would restate specifically and concisely why it was necessary to have this bill before the House at this season of the year to consider legislation for 1964, and the 1963 crops have not even been planted nor their yield estimated. And, I might say I did not get a very satisfactory answer from the gentleman from Texas. The allegation, of course, is that the wheat farmers, when they vote in their referendum come May 21, should know absolutely whether there is going to be a feed grain program or not for 1964.

I would suggest, Mr. Speaker, that even though this bill might pass the House and might pass the Senate, the wheat farmers of America will still not know whether it is going to be a feed grain program for 1964, because, again, it relates back to the discretion of the Secretary.

There is a further aspect unfavorable to agriculture that could come about by permitting the Secretary to have almost unlimited discretion in fixing the subsidy payment. The minimum price for which the Secretary could dispose of existing Commodity Credit Corporation stocks of feed grain is based upon the prevailing support price during any single year. Therefore, by this arrangement the Secretary can keep the support price at the bare minimum, increase the price to co-operators through the subsidy and then stand poised over all of the other farmers threatening them with very low prices by dumping of stocks on the market if they do not participate in the feed grain program.

This bill should be recommitted.

Mr. BROWN of Ohio. Mr. Speaker, I yield the balance of my time to the gentleman from Illinois [Mr. FINDLEY].

Mr. FINDLEY. Mr. Speaker, in December of 1962 the noted public opinion analyst, Sam Lubell, made a speech in Ames, Iowa, in which he said:

In recent years many Congressmen have voted for farm legislation which they thought would reduce the total cost of farm subsidies. Only after the accounting

was in did they realize that they had actually voted for higher subsidy costs.

He also said:

The writing of farm legislation has become a conspiracy against public understanding.

The substance of this speech will underscore Mr. Lubell's conclusions.

All of you received today a letter from Secretary Freeman in which he points to the success of the feed grain program in 1961, 1962, and 1963 as a justification for a new 2-year lease on life as embodied in this bill. And, although there are substantial changes in the language before us now from the language under which the first 3 years of the program have operated, still he would have authority, if he so chose, to operate the programs in 1964 and 1965 as he has in 1961, 1962, and 1963. So, I think it is very proper for us to find out just what kind of a success this program really has been.

I invite your attention, first of all, to the fact that the administrative cost has not been a trivial item. If you will add up the expenses of all of the officers of the House of Representatives and their clerks, if you add the salaries of all of the clerks and secretaries of all 435 Members of the House of Representatives together, these people who serve the interests—the intimate multitude of interests of the entire population of this Nation—you will find that the cost for all these services is considerably less than the cost expended each year under the operation of the feed grain program.

The total administrative cost for 3 years of the feed grain programs was over \$100 million.

Mr. Speaker, what have we got for the tax dollars we have spent and are spending in direct payments? Has this truly been a success story? In 1961 payments amounted to \$782 million, in 1962 they were up to \$842 million, and in 1963 they are up over \$140 million.

Each year the payments go up and up. One might expect that the results would go up and up. After all, the purpose of this program has been to take feed grain acres out of production as a device to balance supply and demand and reduce our stockpiles. So, let us look at what was achieved. Did we actually get reasonably good results for our money? In 1961 we diverted 25 million acres at a cost of \$782 million in direct payments, and here we do not include heavy administrative expenses and realized losses to Commodity Credit Corporation. We spent that amount of money in order to get 25 million acres out of production. Look what is happening in 1963. Direct payments total \$983 million—up over \$200 million—but diverted acres are still only 25 million.

How long can we afford the savings that Secretary Freeman claims under this feed grain program?

I note that on page 31 of the committee report feed grain farmers were paid \$782 million in 1961 and \$842 million in 1962 not to grow corn, sorghum, and barley. On page 14 of the committee report, I note that the estimated payments for the 1963 program total some \$983 million. Yet, the tables on page 13 show

that in 1961 there were 25.2 million acres diverted, in 1962, 28.6 million acres diverted, and in 1963, 25.8 million acres diverted. Assuming these figures supplied by the Department of Agriculture are all accurate, why is it that in 1963 the payments for not growing 25.8 million acres of feed grains are over \$200 million more than the payments for not growing 25.2 million acres of these grains in 1961? In fact, the payments are \$141 million more in 1963 than they were in 1962, in spite of the fact that there are almost 3 million fewer acres diverted. The reason appears to be that in 1963 program, payments are made up of both land retirement payments in the amount of \$496 million and an additional \$487 million in direct price-support payments.

Whatever the legal distinctions may be, it seems readily apparent that this feed grain program which was enacted as a temporary expedient in 1961 is going to cost at least \$200 million more in 1963 while achieving fewer results. The bill that is now pending before the House proposes to extend this 1963 program with some changes for 2 more years.

When administrative costs and inventory shuffling expenses are taken into account, we can readily see a billion dollar a year program being proposed for the next 2 years. Perhaps this is why Secretary Freeman said last year during the debate on the mandatory feed grain bill in a memorandum to the chairman of the Senate Committee on Agriculture and Forestry on May 21, 1962, as follows:

1. The voluntary programs are too costly.

(a) The additional cost to the Government of operating the voluntary feed grain and wheat programs in S. 3225 for the 1963 crops, compared with the long-range programs, would be about \$600 million.

(b) If the voluntary programs were extended further, through the 1966 crops, the cumulative additional cost would be about \$4 billion. This amount is equal to the average yearly Federal income tax payments of nearly 5 million taxpayers; would build 27,000 miles of modern highways; would complete 4,000 watershed projects.

2. The voluntary programs provide no assurance that stocks will be reduced. In the voluntary feed grain program, noncooperators offset much of the acreage reduction made by cooperators. In 1961, noncooperators increased their plantings by 6 to 7 million acres, offsetting about one-fourth of the acreage reduction diverted and paid for on farms of cooperators. In the voluntary wheat program, smaller carryovers depend on acreage diversion beyond the mandatory 10-percent reduction from 1961 allotments. In both programs, farmer participation is uncertain, and is dependent on crop conditions.

It seems to me, Mr. Speaker, that the more that this administration says it is going to save, the more the taxpayers end up paying.

It is not easy to find out how much taxpayers have spent under the feed grain programs, and what they got for their money.

One reason is statistical skullduggery on the part of the Kennedy administration. One example was Secretary Freeman's declaration in his February 28 memorandum to Congressman that the wheat and feed grain programs have cut surplus stockpiles over 1 billion bushels.

USDA reports showed this to be a gross exaggeration. Stockpiles were down only 437 million bushels.

Taking comparable dates, corn holdings were down 371 million bushels, wheat down 48 million bushels, and grain sorghums down 18 million bushels. This adds up to a total cut of 437 million bushels.

Another example was Secretary Freeman's letter dated April 19 to all Members of the House. Here is the text:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., April 19, 1963.

DEAR CONGRESSMAN FINDLEY: I understand the Feed Grain Act of 1963 will come before the House shortly after the Congress returns from its recess. This legislation would extend for 2 years, the highly successful measures enacted in 1961 and 1962 which have—Contributed to a 10-percent increase in net farm income between 1960 and 1962.

Reduced feed grain stocks from a record 3.2 billion bushels in 1961—prior to the time the new feed grains programs became effective—to an estimated 1.9 million bushels at the close of the current marketing year.

Maintained stable food prices for consumers.

Resulted in savings of \$920,000 each day in grain storage and handling charges as compared with this date in 1961.

This is striking progress every citizen understands.

If the House reaffirms its actions of 1961–62 by passing this bill, it means elimination of the unneeded, unwanted feed grains surpluses by 1964. Once the carryover has been reduced to a level adequate for emergency and security reserves, a supply-demand balance can be maintained with less acreage diversion and less cost in the years ahead.

Further, if the House takes favorable action on this legislation, farmers participating in wheat and feed grains price support programs will have greater flexibility in utilization of their land. If the wheat referendum is approved May 21, and there is also a feed grains program, producers will be able to interchange these crops. It is desirable for farmers to know before voting in the referendum what the wheat-feed grain relationship will be.

I am hopeful the success of the feed grain programs and the importance of action now on feed grains in the light of the upcoming wheat referendum will make possible your favorable support of H.R. 4997.

Sincerely,

ORVILLE J. FREEMAN.

This morning I circulated this response to Members of the House:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 23, 1963.

DEAR COLLEAGUE: You are in for trouble with farmers and other taxpayers if you try to explain your vote on the feed grain bill by quoting Secretary Freeman's April 19 letter to Members of the House. It tells only part of the story.

He calls the 1961–62 programs highly successful and says they helped to boost farm income. Note these facts:

When direct payments to farmers are deducted, net farm income went down—not up—between 1960 and 1962. The direct tax outlay to farmers rose faster (\$1.2 billion) than net farm income (\$1.1 billion).

The cost-price squeeze for farmers is actually the worst in years. The farm parity ratio (prices related to costs) is 77—down from 81 when Mr. Freeman took over. In Illinois, the parity ratio is now 71—lowest on record since 1934.

Mr. Freeman claims his programs have reduced feed grain stocks 1.3 billion bushels.

He uses the word "reduced" at the beginning of the sentence but hid the telltale word "estimated" later on. This 1.3-billion figure is sheer speculation.

Based on USDA reports, I can prove that Government grain holdings are down less than half the amount claimed.

Mr. Freeman says the programs have "resulted in savings of \$920,000 each day in grain storage and handling charges." This is not factual. It is guesswork, and it is misleading.

Total cost to taxpayers is actually up sharply. The Wall Street Journal (Apr. 23, 1963) said: "This year's acreage cutting plan, providing for higher price supports on 1963 feed grain crops and lower payments for idling land, will cost taxpayers nearly \$1.2 billion, Federal economists estimate. That's \$100 million more than probably 1962-63 costs."

Taxpayers are spending more but getting less results. This table shows what's happening (figures from committee report on H.R. 4997).

| | Diverted acres | Payments |
|-----------|----------------|---------------|
| 1961..... | 25,200,000 | \$782,000,000 |
| 1962..... | 28,600,000 | 842,000,000 |
| 1963..... | 25,800,000 | 983,000,000 |

NOTE.—Administrative expenses and CCC realized losses not included.

The latest report of the Commodity Credit Corporation shows total Government investment in farm surpluses, \$8,445,793,604—up 10 percent from a year ago.

The latest USDA feed situation report clearly shows the 1963 program will get far less results despite increased cost. Taxpayers will shell out \$8.78 for each dollar's worth of surplus feed grain disposed of this year.

The Secretary said in a letter last June to Senator ELLENDER, "The voluntary programs are too costly. * * *. If the voluntary programs were extended further, through the 1966 crops, the cumulative additional cost would be about \$4 billion. This amount is equal to the average yearly Federal income tax payments of nearly 5 million taxpayers; would build 27,000 miles of modern highways; would complete 4,000 watershed projects."

This bill would extend these costly programs through 1965. I contend they have been a gigantic and costly failure, and are a legislative mistake which should not be compounded.

Sincerely yours,

PAUL FINDLEY,
Representative in Congress.

Mr. Freeman claims taxpayers are saving \$920,000 each day because they are not paying storage and handling on a mythical 1,300 million bushels. This is based on a theoretical storage cost of 26 cents per bushel a year—almost twice the average storage cost.

Rate on resealed grain is now 14 cents. The commercial storage rate is 13½ cents. CCC claims much lower cost on grain stored at binsites and in the moth ball fleet. Handling charges might average 2 cents a bushel at the most.

Here again savings on mythical stockpile cuts are computed at mythical rates—about twice too high.

In the committee report, facts and fantasy mixed together. Refer to table 8 on page 14 of committee report, "Esti-

mate of savings." Facts on payments and costs mixed with unadulterated speculation on what may happen if the rabbit does not stop to scratch his left ear.

For phony conclusions, turn to page 5 of committee report. I quote:

Just 2 years ago the Nation's agriculture, our basic and largest industry, was on the brink of bankruptcy. The farm program which had worked so long and so well—during wartime and in peace in the interest of farmers and the general economy was a shambles.

The facts: cattle and hog prices are the lowest in several years.

The parity ratio for the Nation was 77 for March of this year down from 81 when the Kennedy administration took over.

In Illinois the parity ratio hit 71—lowest on record since 1934—the worst cost-price squeeze in 29 years.

The best way I know to measure the value of this program is to stick to facts and forget the hypothetical guesswork. Here are a few facts:

[H. Rept. 16,180, 88th Cong., on H.R. 4997]

| | Diverted acres (table 7, p. 13) | Payments (table 8, p. 14) |
|-----------|------------------------------------|------------------------------|
| 1961..... | 25,200,000 | \$782,000,000 |
| 1962..... | 28,600,000 | 842,000,000 |
| 1963..... | 25,800,000 | 983,000,000 |

Not included are administrative expenses which are CCC realized losses.

Note payments have gone up each year—up \$60 million the second year, up an extra \$141 million the third year. What will it be in 1964 and 1965 under this bill? Clearly, the trend is up.

Now, note that the total acres diverted are down under the 1963 program but costs are up. Here we see another dramatic application of Professor Parkinson's law—costs continually rise even though services and accomplishments may decline.

Now I hasten to say the 1963 figures are estimates, but they are estimates supplied by the administration and we can safely assume they are on the conservative side.

According to the American Farm Bureau and the table on page 39 of the report shows total reduction in feed grain carryover to be 23.7 million tons under the 1961 and 1962 programs.

If we take just the direct costs of these programs, and if we assume that the programs were responsible for all cutbacks in carryover—this shows a direct cost of \$2.04 per bushel corn equivalent. If we take into account increased utilization of feed grains—and we should—then we will find it cost \$7.93 for each bushel cutback achieved during the 1961 and 1962 programs. With corn worth about \$1 a bushel, this can hardly be regarded as an economical program.

I invite your attention to these factors involved in the reduction of feed grain stocks:

[In millions of tons]

| | 1961 | 1962 | Total |
|---|-------|-------|-------|
| Reduction in production from 1960 of crops covered by program: | | | |
| Corn..... | 7.9 | 7.4 | 15.3 |
| Grain sorghum..... | 4.0 | 3.1 | 7.1 |
| Barley..... | | 0 | 0 |
| Total..... | 11.9 | 10.5 | 22.4 |
| Reduction in production from 1960 of crops not covered by program: | | | |
| Barley..... | .8 | | .8 |
| Oats..... | 2.3 | 2.0 | 4.3 |
| Increase in utilization from 1960 marketing year..... | 3.1 | 2.0 | 5.1 |
| | 8.1 | 8.3 | 16.4 |
| Net effect of reduction in production of crops not covered by program and increase in utilization on carryover..... | -11.2 | -10.3 | -21.5 |
| Total reduction in carryover..... | 12.9 | 10.8 | 23.7 |
| Reduction in carryover due to feed grain program..... | 1.7 | .5 | 2.2 |

NOTE.—It may be argued that the carryover would have increased if there had been no feed grain program. The point, however, is that the program has done little except to stop the buildup. The reduction in accumulated stocks is almost entirely due to increased utilization and reduced production of feed crops not covered by the program.

The total direct costs of our 2-year experience with the feed grain program have exceeded \$1.7 billion.

Direct costs of the 1961 and 1962 feed grain programs

[In millions of dollars]

| Payments to— | 1961 | 1962 | Total, 1961 and 1962 |
|------------------------------|------|------|----------------------|
| Corn producers..... | 765 | 854 | 1,619 |
| Sorghum producers..... | | 42 | 42 |
| Barley producers..... | | 42 | 42 |
| Administrative expenses..... | 42 | | 84 |
| Total..... | 807 | 938 | 1,745 |

¹ Assumed to be the same as for 1961.

Indirect costs resulting from the policy of dumping CCC grain to penalize nonparticipants will add \$200 million or more to the total cost of the 1961 and 1962 programs.

Slippage under this program has been shocking. In 1961 taxpayers paid for approximately 4 acres for each 3 acres by which corn and grain sorghum plantings were reduced from the 1959-60 base. In 1962 taxpayers paid for approximately 5 acres for each 3½ acres by which corn, grain sorghums, and barley were reduced from the 1959-60 base. The situation will be even worse in 1963.

What we have before us now is a proposal to spend about a billion dollars in each of the next 2 years to farmers for not growing feed grains.

And finally a novel feature of this bill, one intended to benefit new growers, authorizes the Secretary even to pay new growers for not growing corn they never did grow.

Mr. ELLIOTT. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. SMITH].

(Mr. SMITH of Iowa asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Iowa. Mr. Speaker, the problems with regard to the feed-grains programs are rather complicated. As the gentleman from New York said, it is very difficult to understand all the ramifications of such a bill. It is even more difficult when you get the kind of figures thrown out here that were presented by the gentleman from Illinois [Mr. FINDLEY]. And I will tell you why. Under the 1963 program we are going to have the money spent principally in two particular ways: One is for diverted acres, and one is to pay the 18 cents to the farmers that we otherwise would have lost if we had taken the grain into Government storage and then sold it later. Almost all of the cost in that program is covered by the 1963 figure; but, Mr. Speaker, under the 1962 program the program costs that are referred to there are only for the diverted-acres costs. Those figures did not include the loss we have taken or will take from moving the grain into the Government bins and then selling it at a loss. The truth of the matter is that the cost of the 1963 program will be less, because there will be less realized losses on grain taken over by the Government and less handling charges.

Mr. Speaker, the 1963 figure as shown on the chart represents almost the total cost for the crop year which we will have suffered; whereas the 1962 figure only takes into account the part of the cost related to payment for diverted acres. Use of these kinds of figures is the kind of thing that makes it difficult to understand these programs, and I think in order to understand it better, we should also go back one step further to the 1959 and 1960 program which is still being supported by some people who are opposed to this feed-grains legislation. Under that program we would raise 600 million bushels more than we consumed. There is no limit under that program to the amount that can be delivered to the Government and whether we take it in at 75 cents a bushel or \$1.50 a bushel, there is no place for it to go except into Government bins. If we pay \$1 dollar a bushel for it, that is \$600 million. Then we would keep it around for several years and spend \$1.75 a bushel keeping it around until it would go out of condition enough so that the law would permit putting it into market channels.

Mr. Speaker, that is the most expensive kind of program. It cost us \$1.7 billion or \$1.8 billion that year to operate that program. The feed-grains program has not only raised farm income but also reduced those Government costs while keeping the supplies to the consumer at a stable price and an adequate level.

I submit to you that during the afternoon we should look very carefully at all the figures presented and make sure we are not doing like the fellow who advised his neighbor that he should produce milk with goats rather than cows. He said, "After all, both milk goats and Guernsey cows give milk and it costs less to feed the goat." That rationalization totally fails to consider the fact that the cow

would give 10 times as much milk. That is about the kind of comparison one has when comparing the 1962 with 1963 diverted acres costs without also comparing the cost of realized losses on grain.

Mr. ELLIOTT. Mr. Speaker, I yield the remaining time on this side to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Speaker, I would like to call the attention of the House to the fact that the question we are presently considering is whether we are going to adopt the rule. The question before us is not whether you think this is a perfect bill. The question is do we have a fair rule presenting a feed grains bill to the House? The rule is an open rule. Anybody may offer amendments to the bill which has been presented by the committee. This is not a gag rule in any respect; it is wide open. The rule provides for adequate, and more than adequate, debate. There is every opportunity for anyone who wants to suggest any change or any other type of program to suggest it. What more can you ask in the way of a rule?

The issue on which you are about to vote is whether we are to bring this bill up for consideration; not whether you think this bill as it now stands is the bill which you want to support. I hope you will support it because I think it is a good bill. I think it is pretty well worked out. But you may disagree with that. If you do, you still should vote for this rule unless you feel that there should be no feed grains program in the United States.

Of course, if you are opposed to any and all programs; if you are opposed to doing anything to try to balance supply and demand; if you are opposed to being of any assistance to that great group of our American citizens who produce our food and fiber, then of course it is perfectly proper and perfectly legitimate for you to oppose this rule or any other rule. But let it not be said that any Member of this House voted against this rule and then suggests that the reason he did so was that even though he wanted to give the farmer a feed grains program, he just did not like the way the rule presented the matter.

Oh, I know that there are those who say "But we should not take this action now." I know that there are members on our committee who say, "Yes, we should help the farmer; yes, we want to be of help, but we do not want to help him now."

Why do we not want to help now? Because, perchance we think that this would have some influence on the wheat referendum. I do not know that it can have any influence on the wheat referendum one way or the other. But I do think that the people who are growing wheat and who must vote in the coming wheat referendum have a right, and that this Congress has a duty to give them full information when they vote in that referendum, which they will do next month, on the 21st of May. They cannot have that full information unless they know what we are doing about a feed grains bill. Remember this, it is the wheat farmers who are going to be

called upon to vote in a referendum, not feed grain farmers.

It is the wheat farmers who need to know what Congress has done, when they vote. They are the ones who are going to vote in May and unless we act to give them all of the information they cannot properly coordinate the information that they have. There is no such compulsion for prompt information to the feed grain farmer because this bill imposes no program on the feed grains farmer. It is voluntary as to every one of them. There is no compulsion. There is no referendum except as each individual decides for himself whether he thinks it is helpful to him to participate in the program or not. There is no penalty if he does not participate and he will have until planting time next spring to make up his mind as to whether or not he wants to participate.

He will by that time know what the wheat program is.

Certainly there is a relationship between the wheat program and the feed grain program, but the wheat farmers must vote next month, and unless you give them this information today they are going to vote in ignorance. The feed grain farmer is not going to have to make any decision until long after the referendum. So I submit there is no logic to the suggestion that this rule should not be adopted today. I want to give those people who must make a decision all of the information they can have, and then let them make that decision with all of that information.

Mrs. KELLY. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from New York.

Mrs. KELLY. I am very much interested in the problems of the farmer and I have supported farm bills many times. I should like to refer to page 8 of the committee report, where under the heading of "Utilization" reference is made to the exports of feed grains as being, expressed in million tons, 17.3 in 1961 and 15.6 in 1962. Would that not mean that this program is most helpful as far as the foreign aid program is concerned?

Mr. POAGE. I should think it would be substantially helpful to the foreign aid program.

Mrs. KELLY. Then the foreign aid program is most helpful to the farmer.

Mr. POAGE. Yes.

Mrs. KELLY. I hope, then, Mr. Speaker, that those who support and need this program will do so because it will also be helpful to the foreign aid program. I would like to add the following figures under Public Law 480—which is for sale of agriculture products abroad. Fiscal year 1962 \$1,563 million was sold and from 1954-62 about \$11 billion was sold.

Mr. POAGE. I thank the gentleman.

Mr. Speaker, I call the attention of the House to the fact that we are working against time. The committee gave time to those who now oppose the legislation. They came in and suggested, "We should not make a decision until we know the magnitude of the sign-up under the 1963

program." That suggestion was made in February. The committee said, "That is a reasonable suggestion, and we will not act until after the signup," which I believe was held on the 20th of March. We waited until after that signup. We waited until everybody got the information which they said they needed. Then we felt we should act, but the same group then said: "Now let us wait another couple of months—don't do anything until after the wheat referendum". The majority felt that that was unreasonable. So we acted.

We think we have been fair with everyone. We believe it is now time to take some action, to make some decision here so that farmers who must vote in May may know the effect of their vote. Today we must make some decisions because time is short. Many of you want to go to a reception tonight and we hope we can finish this bill in time. Let us vote on this bill without further delay.

Mr. ELLIOTT. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

CALL OF THE HOUSE

Mr. JENSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll, No. 26]

| | | |
|------------|---------------|----------------|
| Anderson | Goodling | Mathias |
| Ashley | Harris | Pillion |
| Ayres | Hawkins | Plrnie |
| Blatnik | Hays | Powell |
| Broomfield | Healey | Rich |
| Celler | Hébert | Rivers, Alaska |
| Colmer | Hosmer | Roosevelt |
| Derwinski | Jarman | St Germain |
| Diggs | Kling, Calif. | Shelley |
| Ellsworth | Latta | Staebler |
| Fisher | Leggett | Walter |
| Forrester | Lennon | Widnall |
| Glenn | Macdonald | |

The SPEAKER. On this rollcall 397 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FEED GRAIN ACT OF 1963

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON RULES

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent that the Committee on Rules have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

FEED GRAIN ACT OF 1963

Mr. POAGE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4997, to extend the feed grain program.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4997, with Mr. WRIGHT in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas [Mr. POAGE] will be recognized for 1½ hours, and the gentleman from Iowa [Mr. HOEVEN] will be recognized for 1½ hours.

The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the Chairman of the Committee, the gentleman from North Carolina [Mr. COOLEY].

(Mr. COOLEY asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, the Committee on Agriculture brings to the House H.R. 4997, a bill to continue for 2 years the entirely voluntary, and highly successful, program for corn and other feed grains.

This legislation represents a dedicated effort by the members of our committee to deal effectively with the production and income problems in a major area. I commend especially Hon. W. R. "BOB" POAGE, chairman, and the other members of the Livestock and Feed Grains Subcommittee, for the long hours and hard work they have devoted in public hearings and in the preparation of this legislation. I want to express my appreciation to each member of our Committee on Agriculture who is supporting this effort to hold grain production in reasonable bounds and to assure our grain farmers reasonable prices, in a purely voluntary program.

The purpose of the program in this legislation is fourfold. First, it will raise farm income, by assuring fairer prices for feed grain producers and by providing a basis of stability for livestock prices; second, it will bring down further the surplus stocks of feed grains; third, it will save millions of dollars in costs to taxpayers, in contrast to the Government storage program which would be in effect without this legislation, and fourth, it will give the wheat and feed grains producers new freedom and flexibility in the management and operation of their farms. It will enable them to substitute acre for acre between feed grains and wheat whenever they find that by doing so they will increase the efficiency and effectiveness of their own personal farming operations. Since this feed grains program is interrelated with the wheat program enacted by Con-

gress last year, prompt action on this feed grains measure is urgently needed so that wheat producers will have all the available information in making their decision in the referendum on the 1964 wheat program on May 21, 1963.

THE NATIONAL GRANGE SPEAKS

Mr. Chairman, in a recent letter to Members of the Congress, concerning this legislation that is now before us, Herschel D. Newsom, master of the National Grange, wrote:

The Grange has consistently supported programs designed to bring a better balance of supplies with demand and to obtain a reduction in Government stocks of feed grains. We supported the emergency feed programs of 1961 and 1962 as temporary measures to meet an acute problem of increasing costs to the Government and declining income to farmers. It seems clear to us that these emergency programs have, in some part, achieved the results mentioned above.

Present indications are that the 1963 program will show further progress toward these goals which most of us have been seeking. In light of this progress, we believe that it is unthinkable that there should not be further legislation authorizing the continuation of efforts to solve the feed grain problem without depressing farm income. We, therefore, urge your favorable consideration of this legislation.

Mr. Chairman, the National Grange and Mr. Newsom are not noted for rash and irresponsible statements. The Grange is a distinctly middle-of-the-road farm organization and while it has never demonstrated fear of controversy, neither has it been identified with efforts to create it.

If the studies made by the National Grange show we are on the right path for improving farm income and reducing Government costs with this legislation, I am convinced we are on pretty solid ground.

Actually, the views of this great farm organization are supported by any candid study of where we were, where we are, and where we can go in achieving balance in our agricultural abundance by making a purposeful program available to our farmers.

H.R. 4997 is built upon the experience gained through the successful operation of the emergency feed grains programs launched in 1961. These programs have contributed to substantial, and essential, increases in farm income while reducing Government costs associated with the handling and storage of grain surpluses and providing reasonable and stable prices for food buyers.

Right now we are in position to break through the long-sought goal of a balance between feed grains demands and a supply level reflecting abundance without waste. And this legislation provides the mechanism for keeping this balance once we have reached it.

THE WHEAT REFERENDUM

What are the critics of H.R. 4997 saying?

Some of them contend the legislation is sound in principle and purpose, but that it is premature—and they recommend the Congress act eventually in-

stead of now. They would kill the bill with a combination of kind words and procrastination.

Their real object is to defeat the wheat program in the May 21 referendum.

There is a vital reason for action by the Congress now, and this is it: The Feed Grain Act of 1963 will round out comprehensive grain legislation the Congress began last year with the adoption of a permanent wheat program. The two programs represent a package for many thousands of our producers, and unless they know the combination they will be handicapped in making sound judgment on May 21.

A key provision in the already adopted wheat legislation is the interchange of wheat and feed grains acres by farmers who wish to use this privilege. This is one of the greatest contributions to efficiency and flexibility in individual farming operations we have had since the beginning of farm programs. It will not increase total supplies. It embraces the greatest freedom of the farmer in managing his cropland ever provided in a production adjustment program for agriculture.

This provision, however, is available to producers only if there is a feed grains diversion program in effect. Consequently, unless the wheat producer knows before May 21 whether or not there will be a feed grains diversion program he will not be equipped with all the information he needs to make the best possible decision on the alternatives offered in the wheat referendum.

We owe it to the wheat farmer, as well as the feed grains farmer, to have the package completed before the middle of May.

Mr. Chairman, since the legislation before us and the impending wheat referendum have been so closely related, I believe it will be in the best interest of sound action here to return to the position of the National Grange. The "Grange Letter" to that organization's members on April 16 said:

If you look closely enough you can find two points on which both sides agree in the wheat certificate referendum: (1) the result will be important to all wheat growers, and (2) the "no" alternative would result in a substantial loss of income to wheat growers.

So far we have seen no one, nor heard of anyone, who prefers the "no" alternative in the law, to a "yes" vote. There is no third alternative program available.

Yet, opposition to certificates is based entirely on the assumption that if marketing certificates are voted down Congress will pass and the President will sign a better program for 1964.

We challenge that argument on two grounds: First, we believe now, as we have for more than 25 years in which the Grange originated and pioneered in development of the domestic parity, commodity-by-commodity farm program approach, that the certificate plan is the best program yet developed for assuring producers a fair income for their products.

The certificate program is fair to producers, and it is fair to consumers, as well as to taxpayers—including farmers—who have financed a program of burdensome and continuing priced-depressing surpluses.

The wheat certificate program supported by the Grange and all other farm groups re-

sponsive to the legitimate and reasonable interest of agriculture and the Nation, as contrasted with self-seeking aims and interests, is in accord with long-established Grange policy and objectives.

Just two paragraphs from the general farm policy declaration unanimously adopted by delegates to the 96th annual session of the National Grange in Fort Wayne last November, illustrate the Grange position:

Farmers must face squarely and forthrightly the necessity of bringing the supplies of their products under control if they are to be assured of incomes comparable to those received by nonfarmers. They have no right to expect Government to spend the taxpayers money to support prices of farm commodities when supplies are far in excess of market demand and when farmers themselves make no concentrated effort to reduce production.

If prices of wheat and feed grains and of livestock and poultry products are to be maintained at fair and equitable levels, while the Government-owned stockpiles of cereals are significantly reduced within a reasonable period, effective supply management programs for those types of wheat in surplus and for feed grains will have to be inaugurated.

The wheat referendum places that challenge squarely before farmers. To pretend, or to mislead farmers into believing, that the problem does not exist, or that if ignored it will disappear, is to misrepresent the facts, and do a serious disservice to agriculture.

The opponent of the certificate program has raised a smokescreen of false and misleading issues in an obvious effort to confuse farmers. As fast as one false issue is knocked down, another is raised.

This is a tactic often effective because it takes time for facts to catch up with such devious misstatements. We, along with all other sincere friends of agriculture, regret that such is the case.

The Grange firmly believes that farmers have a right to the facts on which to base their decision when they vote on May 21. It does not believe scare tactics can be justified under any circumstances.

Let's examine, close up, just a few of the scarecrows and boogeymen, that have been and are being put up in the false hope that farmers are so simple-minded as to believe that they are real:

False: If certificates are voted down Congress will immediately adopt a better program.

True: Congress last year gave careful consideration to many alternate programs and rejected all but the two which will be on the May 21 ballot. President Kennedy, Secretary Freeman, the chairman and members of both congressional agriculture committees have expressed opposition to further action if certificates are voted down.

False: If certificates are voted, farmers * * * will not manage—they will need only to know how to follow orders.

True: Assertion is ridiculous on its face. Farmers will continue to have as much freedom in operating their farms as under programs repeatedly approved by an overwhelming majority of growers not only for wheat, but cotton, tobacco, and other crops.

False: The certificate plan * * * is a foot-in-the-door approach to Government supply management for all of agriculture.

True: Pure hogwash. Before similar type programs could be offered for other commodities, it would first have to be enacted by Congress and, secondly, approved by two-thirds of the producers in a referendum.

You have heard, or will hear, scores of other equally false statements intended to confuse and mislead farmers. If you don't have the facts to refute them on the spot, write us and we will answer them in the

next Grange letter * * * or as many of them as space permits.

Referring to vague and unsupported statements that if the wheat referendum is defeated Congress will pass legislation providing for a "better program," Newsom declared "there is no sound basis for this promise."

"Grange contacts with congressional leaders representing both political parties make it perfectly clear that new wheat legislation is neither contemplated nor expected in case the referendum fails," he said.

The declared opposition objective is to delay passage of the feed grains extension bill until after the wheat referendum and then, if the certificate program is defeated, attempt to combine wheat and feed grains legislation.

This, some Washington officials insist, is asking feed grains growers to play legislative Russian roulette. They run the risk, if passage of a feed grains bill is delayed, of virtually no program in 1964 if Congress becomes mired in a wheat-feed grains controversy.

CRITICS ANSWERED

Mr. Chairman, a decision now on this bill will give farmers more time to plan their livestock programs for the next 2 years, and give administrators of the feed grains program at national and State and local levels opportunity to schedule their work in a way that gets maximum performance from personnel and facilities without conducting crash-type informational and administrative efforts to out-race fall and spring planting seasons.

Along with the critics of the legislation favoring delay, we have others claiming it provides too much discretionary authority for the Secretary of Agriculture.

This bill does not represent abandonment of either responsibility or authority by the Congress.

It simply delegates responsibility and authority, under prescribed guidelines, that will give producers maximum flexibility and provide consumers a continued guarantee of abundance.

The proposed 1964-65 feed grains programs differs from similar legislation of prior years in two respects.

First, the minimum percentage of diversion of feed grains acres for each co-operating farm is not spelled out; and, second, the price support loan and payment combination is not fixed.

This discretionary authority is not without precedent, and in the interests of providing for flexibility that will match the program with producer and consumer needs is most desirable.

The legislation puts both a floor and a ceiling on the price-support loan and payment combination, and at the same time permits their most efficient adaptation to the degree of desirable diversion.

We have long been concerned with the fact that too many price-supported commodities move into government storage instead of normal trade channels. It was with the aim of remedying this situation that the Congress incorporated a direct payment into the price support structure for the current crop year. This feature cannot be of maximum benefit, however, unless the payment and loan levels can be combined in a way that augments desired goals in terms of production, diversion, reduction in grain

takeovers by the Government, farm income and retail price levels.

We are dealing with commodities affected by unfavorable weather, crop pests and diseases, and which are, on the other hand, subject to increasing per-acre yields. These same commodities have an impact on the health and nutritional standards and the household budgets of our people.

Inflexibility and rigidity in programs subject to quick changing conditions are not in the national interest. Discretionary authority with a sound background of legislative history and congressional intent is not dangerous; rather, it is indeed desirable.

COSTS AND SAVINGS

Along with those who would countenance delay or confuse discretion with license, we also have those critics who contend continuation of a voluntary feed grains program is undesirable in view of lower government costs associated with a mandatory program.

Some of these critics—those who voted for a mandatory feed grains program when it was before this House last year—have a case. I can sympathize with their philosophy while insisting we have to operate in the realm of the possible.

But I can find little time for those who on the one hand voted against a mandatory feed grains program and are now urging farmers to vote "no" in the May 21 wheat referendum, and at the same time compare the economies of a mandatory program with the expenditures of the voluntary type.

Of course a voluntary program costs more than a mandatory system of supply adjustment.

It is unfortunate, however, that critics of the cost tend to concentrate upon what we put into a successful voluntary supply adjustment program and ignore what we get out of it.

The feed grains programs of 1961 and 1962 cost \$1.7 billion and we will invest a little more than \$800 million in the 1963 program, on the basis of indicated farmer participation.

Yet, the 1961-62 investments reflected a billion-dollar rise in annual net farm income and avoided surplus production of feed grains that—had been planted and harvested—would have been a burden on taxpayers for the next 7 to 9 years.

Avoidance of the production of the grain and its acquisition by CCC will save millions of taxpayers' dollars. Ultimate savings, after taking into consideration the cost of diversion payments, will amount to \$591 million for the 1961 program, \$634 million for the 1962 program, and \$90 million for the 1963 program—for a total of \$1.3 billion.

The net investment, in terms of results, is indeed small.

Nevertheless, Mr. Chairman, it is true that the costs are great. But this, the 88th Congress, is not responsible for these costs. We simply are paying for the mistakes of the 1950's when our Government frolicked and gambled with the idea of unlimited production and low prices for agriculture—a "freedom" and "go for broke" philosophy, if you please.

PHANTOM ACRES

Finally, we have the feed grains program critics who periodically search the statistics for "phantom acres."

Here are the facts:

First, it is true that the 1959-60 base for participating farms was adjusted, in line with congressional intent, to iron out individual inequities and eliminate hardships resulting from adverse weather conditions in the base years. However, participating farms planted fewer acres to feed grains than they were permitted after diversion from the base. In 1961, for example, while the base for participating farms was adjusted upward by 4.3 million acres, these same participating farms planted 6.2 million fewer acres than they were entitled to plant after the diversion.

Second, the nonparticipating farmer is responsible for the "slippage" determined by comparing total planted acreage for 1 year with that of another and finding that total planted acreage does not decrease as much as the total acreage diverted. There is nothing which requires a farmer to participate or requires a nonparticipating farmer to hold his feed grain acreage down. This, of course, is one of the reasons a mandatory program was proposed in 1962. For 1961, nonparticipating farms increased their acreage by about 6.7 million acres over the 1959-60 average planted acres.

And, finally, farmers are paid only for actual acres diverted based on determinations made by on-the-farm measurements.

PAINFUL PARTISANSHIP

Mr. Chairman, this legislation was reported by the Committee on Agriculture, and now is presented to the House, over the solid opposition of the Republican members of the committee.

This is exceedingly painful to me, and especially so since such partisan division has become a pattern on farm legislation. Mr. Chairman, there were times, now past, when it was difficult to distinguish a Democrat from a Republican in this House as legislation relating to the well-being of agriculture was debated and voted upon. We in this great body then comprehended that farm people are Democrats and they are Republicans, and that their well-being should have no reference to partisan politics.

These were the times of the triumph of the parity principle that ushered in the golden years of agriculture. For 11 consecutive years prior to 1953 the average prices paid to farmers were at or above 100 percent of parity.

BLESSINGS OF ABUNDANCE

Moreover, these were years that showered blessings upon the consumers of America. Our farmers invested their good earnings in the sciences of the culture of things to eat, they developed the techniques of abundance, and America became the best fed nation on the face of the earth, with our people paying a smaller portion of their income for food than any other people anywhere.

Agriculture wrote America's greatest success story.

Farmers in no other country of the world have lowered food costs, in relation to workers' wages, so dramatically. The farm program has been the dominant factor in bringing about this high-level efficiency.

And it is well at this point, Mr. Chairman, to recall that this farm program, that so abundantly blessed our farmers and our consumers, operated for 20 years prior to 1953 at an actual profit to the Government in its production stabilization and price support activities for the basic crops—corn, wheat, cotton, rice, tobacco, and peanuts. At the end of those 20 years the Government had only moderate investments in farm commodities.

PLANNED PARALYSIS

Then, for reasons I still do not understand, the new administration in 1953 decided to depart from this program, and President Eisenhower subsequently called for the scrapping of the parity principle.

We entered a period of planned paralysis for the farm program.

The consequences—farm depression, record surpluses, great costs.

Two years ago, after 8 long years, the Nation's agriculture, our basic and largest industry, was on the brink of bankruptcy. The farm program, which had worked so long and so well—during wartime and in peace—in the interest of farmers and the general economy—was a shambles.

Farmers' net earnings were at the lowest level, in relation to volume of their sales, for any period since the Department of Agriculture began keeping books. Average farm prices had reached their lowest, in terms of parity, for any year since the 1930's. Per capita annual income of people living on farms was only about one-half that of nonfarm people.

Huge surpluses of food and fiber—\$9 billion worth of Government-held warehouse stocks—were being carried at great costs to taxpayers.

In February of 1961, President Kennedy, in his farm message, called upon Congress to remedy this situation, and the Congress responded.

The long downslide in farm income was halted.

Cumulative net earnings of farmers already have been increased by more than \$2 billion. The pileup of surplus upon surplus in grains has been stopped.

Taxpayers already have been saved many millions of dollars, on future farm program costs.

In 1962 net farm income of \$12.9 was 10 percent greater than in 1960 and the highest since 1953.

Average net income per farm in 1962 was up 18 percent over 1960, from \$2,960 to \$3,498.

Hourly returns for farmworkers and operators were \$1.05 in 1962, compared with 87.5 cents in 1960, up 20 percent. Bank deposits and business activity in 20 major farm States are now 10 percent above 1960, an indication of the importance of farm income to the general economy.

THE GRIM ALTERNATIVE

Mr. Chairman, the Nation's agriculture is on the road back. Our action on the legislation now before us will further bolster this recovery, or it may present our farmers and, indeed, the Nation, with a grim alternative.

If we fail here in this House to enact this legislation, and should the wheat referendum fail, we shall risk chaos in the agricultural economy, and we shall risk the collapse of the Nation's farm program.

Such chaos and such collapse no doubt would set off a severe depression in the general economy.

To end farm price and production adjustment programs would bring on a terrible farm depression. This would be reflected quickly in a downturn for the entire economy. It would mean a drop of about a third in farm commodity prices, and an even sharper drop in net farm income.

Wheat prices, for example, would be cut almost in half—perhaps below a dollar a bushel.

Corn prices no doubt would fall to around 80 cents a bushel. Prices of other feed grains would follow corn prices down. Livestock markets, with unlimited production of cheap feed at depressed prices, would be in the long run be demoralized.

Moreover, all the investments by the Government in the last 2 years to bring down grain surpluses would have been wasted.

AN END TO PARTISANSHIP

Now, Mr. Chairman, I must return again to the partisan feeling in the House, in the presence of a farm bill. It is all senseless to me, especially since our Republican friends are opposing this feed grains bill in the thought that they may defeat the wheat program in the impending referendum.

Moreover, it is indeed strange that those on the other side of the aisle want to destroy the wheat program, for it is the program, in all major respects, originally sponsored in the House by the man I deem to be the greatest Republican farm statesman of all time, Cliff Hope, of Kansas, former chairman of our Committee on Agriculture. Not only this, but a bill embracing this program was passed by the House in the Republican 83d Congress.

Mr. Chairman, it is not good for this country we all love, for one party or the other to position itself on public matters and legislation solely out of political considerations.

As for agriculture, I will say that unless farmers and their friends, in both political parties, can get together in the decision-making process, then someone else is going to make the decisions and the policies and the programs for agriculture. I for one am not willing here to contribute to circumstances which may bankrupt agriculture and create such chaos that farmers might lose their freedom to manage their businesses.

In conclusion, Mr. Chairman, I want to let my Republican friends know that I yearn and long and pray for the day when, again, the thought of political advantage will be silent and it will be

difficult to distinguish a Republican from a Democrat in this House when legislation relating to the well-being of agriculture, and to the people who produce our food and fiber, is debated and voted upon.

Mr. POAGE. Mr. Chairman, I yield myself 10 minutes.

(Mr. POAGE asked and was given permission to revise and extend his remarks.)

Mr. POAGE. Mr. Chairman, we have probably come to the most important milestone in agricultural legislation that we have reached for some years or that we probably will reach for some years, because we are today dealing with feed grains.

Mr. Chairman, I would of course like to tell the Members of the House that cotton is the great crop of the Nation and my people grow it, it does produce a vast amount of cash income. There are those from other areas who would like to tell you that wheat is the great crop of the Nation because the people depend upon it for their bread, and it is a vital crop. There are others who would tell you that dairying and livestock represent the greatest crops in the United States. But, after all, our livestock industry, our dairying industry, and all of our poultry industry is tied directly to feed grains. Feed grains account for a very large portion of the activities of American agriculture and probably play a much greater influence on all other crops than does any other activity of the American farmer. So, today we are dealing with the very crux of the farm problem when we deal with feed grains.

Historically feed grains have been produced with little or no controls. For a good many years we attempted to support the price of corn without any mandatory reduction in the acreage of corn. It worked for a little time and then producers began to feel that they could have it both ways, both in price and in production. That does not work in any free economy. As you increase production you inevitably decrease price unless there is a corresponding increase in consumption. So when our farmers sought both to increase supply and at the same time increase the price they simply could not do it and the result was that the U.S. Government was making up the difference for a long time, and for a good many years we were putting into Government storage around 300 million bushels of corn every year that the U.S. Government was buying, paying the support price for it, putting it in the warehouse, paying the transportation, and paying the storage.

As the gentleman from Iowa [Mr. SMITH] so well pointed out, you keep this grain in storage and then you try to get it out of condition so you can sell it at a discount price.

I do not care what figures you have seen, you know and I know that the only way you can reduce your cost is to reduce the surplus in storage. At long as you continue to keep these vast volumes of feed grains in storage and add to them every year, the cost of your program is going to go up. You do not have to

be a mathematician to know that. That is just a plain fact. And the cost of the program was getting completely out of hand, as everybody knows.

I want you to know about just what has happened in the last few years, because there are those who have indicated that the present program on feed grains was, oh, not worth its costs. At the peak of the inventories which was in 1961 we held 2,164 million bushels of feed grains and 1,277 million bushels of wheat; 3,451 million bushels of grain that the U.S. Government owned and on which it was paying storage. We have brought that down until our inventories on March 15, 1963—I want you to get that; I am not talking about what we hope to do this year, I am talking about where our inventories stood just a year ago—were 2,158 million, a reduction of 1,293 million bushels of grain.

It was costing us during the fiscal year 1962, 26.99 cents a bushel to carry that corn; 21.23 cents for grain sorghums and 26.21 cents for wheat. Apply that to the 1,293 million bushels on which we are not paying storage as a result of these programs and you find that we have a saving during the year of \$336 million, or a saving of \$920,000 per day. Talk about a program of economy. Can anybody seriously insist that they are supporting economy in government and vote to abandon this program of control of our feed grains with a saving right now of \$920,000 a day, almost \$1 million every day that comes around?

That is what we have already saved with the program. With the program in effect this year, it is confidently anticipated that we will bring the supply and demand of feed grain into approximate balance and that there will no longer be a need to continue to reduce the surpluses because we will have brought them down to where they are in fact no longer surpluses but normal carryover.

But you say, "Why don't you just continue the existing program?" You could not continue the existing program if you brought feed grains into balance with demand because we have been bringing this surplus down at the rate that I have pointed out here. We will not need to bring our stocks down further after this law is passed, unless we have a very unusual year. We will need only to maintain the balance between supply and demand. We will not have to take out that 300 million bushels a year piled up in Government surplus for these many years. We will not need to pay the same rates we are now paying to secure all the needed cooperation on the part of landowners. Something considerably less will do it.

You say, "Why didn't you pick some figure; something less?" For the very reason our friends suggested, that you ought to have all the facts before you in writing legislation. We could not say whether 18 or 15 or 13 cents would be the right payment. We do know that it should not take as much money to carry this program in future years as it has taken the last 2 years, when we had to bring down surpluses that had previously been accumulated. So we give to the Secretary the discretion that the

gentleman from Ohio discussed this morning.

It is perfectly correct to say that rather than fixing a rate that would result in an unnecessary reduction and unnecessary waste of public money and possibly even a dangerous drawdown we have empowered the Secretary of Agriculture to apply such rates of payment as he feels will suit the occasion of the amount of grain that we have in storage and the amount that we need to reduce. We believe that that of itself will result in a saving of many hundreds of millions of dollars. But remember that you have a saving of approximately \$1 million per day already established, and if you do not have this bill next year you will not only lose that \$1 million a day but you will go right back to the old situation of accumulating more and more surpluses.

We have been asked wherein this bill differs from the existing law. I think that the answer is clear and that I have already given it to you. It is substantially this, that we do put flexibility into this bill so that there may be a downward adjustment of costs. That is the major difference between this bill and the existing law. The existing law has been working very well, but we need not keep it geared up to the present rate of payments for we can hold down on our expenditures and we should do so.

There is one other item in this bill which I want to call to the attention of my friends who asked that we put it in here, and we put it here. That is the exchangeability between feed grains and wheat.

It was the request of our friends on the Republican side that we provide this exchangeability, and it is in the bill. It is there to give those in the Far West who have gone to planting other feed grains such as oats or barley the opportunity to have them considered as wheat for the purposes of exchangeability of allotments only; but for no other purpose. It means that that farmer in Washington State who may have planted barley instead of wheat will now be able to consider that barley as wheat and, if he wants to, to plant wheat.

Let me make one further fact abundantly clear. This is not a mandatory bill. This bill does not provide for any kind of vote. It does not impose any kind of restrictions on any farmer. It authorizes any farmer to participate in the program, if he wants to. If he wants to retire as much as 20 percent of his historic planting, he may do so and may be paid up to 50 percent of his normal production on those retired acres. He will by complying also become eligible to receive payments and to receive the assurance of support price. There are, I think, decided advantages in becoming a complier. But if any farmer decides he does not want to comply, he does not have to say anything to anybody, he does not have to notify anybody, he does not have to do a thing in the world except to get out his drill and drill in every acre that he owns. There is no restriction on the rights of the individual farmer to carry on his farming just as he wants to carry it on.

We have been told by a great many people—oh, we do not want a bill that regiments the farmer. This bill does not regiment the farmer. Yes, it is going to cost you more money than a bill with mandatory allotments in it. But, this House decided it did not want mandatory allotments, and we are living with that decision. We have met the request of those who are going to oppose this bill. We have sought to perfect this bill. We bring you a good bill, a fair bill, and a voluntary bill—a bill that will get us results and which will save us money.

We are going to be crowded for time, and I am not going to take more time nor am I going to yield all of the time that has been allocated to the majority. We will yield only enough time to present the facts. In this way I hope to return at least three quarters of an hour. I invite the opponents to join me in expediting the consideration of the bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOEVEN. Mr. Chairman, I yield myself 10 minutes.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. NELSEN. Mr. Chairman, will the gentleman yield for an observation?

Mr. HOEVEN. I yield to the gentleman.

Mr. NELSEN. It seems that we are going to hurry this bill through and, yet, in the discussion on the rule, we were told that there would be opportunity to be heard and offer amendments. If we are going to do what we have been doing in the last 5 years that I have been here, in other words, close off debate and close off an opportunity to be heard, I fail to see where there will be fair and adequate treatment of this bill. I do hope we have adequate time to discuss this. I have some questions I would like to ask the gentleman from Texas [Mr. POAGE] and I hope I will have that opportunity later because this is a very important piece of legislation and adequate time should be provided.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman.

Mr. POAGE. If the gentleman wants to yield me time to answer the questions I will, but I do not have the time. We are not going to use all our time, but if the gentleman wants to use his, all right. If the gentleman wants to yield to me to answer questions I will be glad to.

Mr. HOEVEN. I understand it is contemplated to complete this bill today and I have no objection. I hope the gentleman from Minnesota understands that under the 5-minute rule he will have an opportunity to speak, and I do hope that everyone will have an opportunity to be heard who wants to be heard.

Let me make it clear at the outset that I am not opposed to feed grain legislation as such, and that I am not opposed to a realistic and proper feed grain program for 1964 and 1965 of the right kind and at the right time. I am opposed to the method being used here in trying to ram through this bill today

before the wheat referendum is held on May 21 of this year.

Time is not of the essence as far as this legislation is concerned. The Feed Grain Act of 1963 is now on the statute books. It pertains to the crop year 1963. And therefore there is ample legislation to take care of the crop year 1963. The Congress can pass a Feed Grain Act for 1964 or 1965 any time before this session of Congress adjourns. The feed grain farmer will not be planning his crop program for 1964 until along in the winter of 1963, and most certainly he should have the right of knowing what the wheat farmer is going to do in the referendum of May 21, 1963. The gentleman from Texas, my good friend, contends that the wheat farmer is entitled to know what the feed grain program is going to be before the referendum is held. That, of course, is simply a political sweetener for the wheat farmer and, in my humble judgment, is a deliberate attempt to influence a favorable vote in the wheat referendum. Passing a feed grain bill now, in effect, would be saying to the wheat farmers throughout the country that they could feel free to vote in favor of the wheat referendum because then we would have on the statute books a feed grain bill. So if the wheat referendum should fail, the wheat farmer could plant sorghums and other feed grains on his wheatland. It is a direct invitation for the wheat farmer to go ahead and vote for the wheat referendum in the knowledge that he had a feed grain bill to fall back on. I challenge anyone to tell the committee why we should pass a feed grain bill at this time, except for the purpose of trying to influence a favorable vote in the referendum on May 21, 1963. There can be no other reason.

If you will read the minority report you will find that we of the minority on the committee vigorously oppose the enactment of H.R. 4997 at this time for two basic reasons: One, because it is premature, and, two, because it lodges entirely too much discretion in the hands of the Secretary of Agriculture.

The proponents of this bill feel that its enactment prior to the wheat referendum will improve the chances of the wheat referendum. It is nothing more than a deliberate attempt to influence a "yes" vote. In other words, it is nothing more than a crude "carrot and stick" tactic being executed on the wheat farmers of American in a desperate attempt to force a "yes" vote.

I personally resent those kinds of tactics. I think the wheat farmers of this country are intelligent people, and they have the know-how to vote as they deem best. They do not have to be told how to vote. I am sure that the wheat farmers across the country will resent this attempt to influence their vote.

And may I say to the proponents of this bill right now that this tactic might backfire on May 21, 1963.

Why is the administration so interested in passing this feed grain bill at this time? It has always been my impression that the Secretary of Agriculture in these referendums should be a referee in these

referendums. He should see to it as such referee, that the wheat referendum is fairly conducted in accordance with the regulations and the law, instead of trying to bring about the kind of a result that the Secretary of Agriculture wants.

This is a two-way street. If the wheat farmer is entitled to know what the feed grain act is going to be, then the feed grain farmers by the same token are entitled to know what the wheat farmers are going to do in the referendum. This is only fair, just and equitable.

I doubt very much whether we are going to spend a lot of time debating the merits or demerits of this legislation, because the question of whether or not the legislation is premature is paramount. There will be a motion to recommit offered, not for the purpose of killing the bill, as far as I am concerned.

It will be offered only for the purpose of postponing the legislation for only 24 legislative days until after the referendum has been had. Is this a reasonable request in view of the fact that time is not of the essence just now? We can pass a feed grain bill any time between now and the time Congress adjourns. We should have the benefit of the referendum results so the Committee on Agriculture can then act intelligently in presenting a realistic feed grain bill to the House, and a new wheat bill also if the referendum fails. Then we can legislate intelligently on the facts and not on the hopes or desires of the Secretary of Agriculture.

I am disturbed about the activities of the Department of Agriculture in trying to influence the wheat referendum, and I want to quote to you part of an article which appeared in the Wall Street Journal this morning, as follows:

Agriculture Secretary Freeman is mobilizing all his Department's vast field organization to explain the control plan to voters. A series of informational sessions in over 2,000 wheat-raising counties is beginning; perhaps 27,000 full-time and part-time Government employees will be involved. Four million copies of seven different explanatory booklets are being circulated. Last year there were 2 pamphlets and 2.4 million printings.

A special Freeman emissary, former Republican Congressman Phil Weaver of Nebraska, is criss-crossing Wheat Belt States, speaking to chambers of commerce, Rotary Clubs, and other groups in behalf of the control plan. TV films and radio tapes starring Mr. Freeman have been sent to some 300 broadcasters. In part, he hits directly at farmers' pocketbook interests. "With a 'yes' vote," he tells audiences, "the price of wheat will be \$2 a bushel; with a 'no' vote, \$1 a bushel."

This is propaganda of the first order and we have the right to question the propriety of such open pressure to sway the outcome of the referendum, let alone the legality of such unwarranted actions.

It is interesting to note that in the Feed Grain Act of 1962, which applies to the crop year 1963, it was specifically spelled out that the direct payments would be 18 cents a bushel. This provision is eliminated in the bill before us and there instead is placed in the hands of the Secretary of Agriculture wide dis-

cretion to fix the loan level as high or as low as he desires thus enabling him to manipulate the market to almost any level he desires. The Secretary of Agriculture, not being able to put over his control program, is now attempting to do indirectly what he has not been able to do directly in imposing new controls. Everyone knows that the proposal presented in the wheat referendum is the most stringent wheat control bill in the history of this country. If the Secretary can only get his wheat control program on the statute books, through a favorable vote in the referendum, I dare say it will then be attempted to pass a new strict feed-grain control bill which means that our feed-grain farmers will be compelled to fall in line with the wheat farmers in a complete control program for midwestern agriculture.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. POAGE. I wonder if the gentleman from Iowa would care to yield more time at this juncture, because we are not going to use the hour and 30 minutes at our disposal.

Mr. HOEVEN. Can the Chairman advise me how much time has been consumed?

Mr. POAGE. We will try to use half of it.

The CHAIRMAN. The gentleman from Texas has consumed 15 minutes and the gentleman from Iowa has consumed 12 minutes.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. QUIE].

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-three Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 27]

| | | |
|---------------|----------------|----------------|
| Ashley | Healey | Sibal |
| Ayres | Hébert | Sikes |
| Betts | Hosmer | Sisk |
| Broomfield | Kee | Skubitz |
| Brown, Calif. | Kelth | Smith, Calif. |
| Cameron | Lankford | Springer |
| Casey | Lennon | Staebler |
| Celler | McMillan | Steed |
| Davis, Ga. | Mathias | Teague, Calif. |
| Dawson | Nygaard | Thomas |
| Diggs | O'Konski | Thompson, N.J. |
| Dingell | Powell | Waggonner |
| Fisher | Relfel | Walter |
| Forrester | Rich | Widnall |
| Gialmo | Rivers, Alaska | Williams |
| Glenn | Rivers, S.C. | Willis |
| Goodling | Roosevelt | Wydler |
| Hawkins | Schwengel | |
| Hays | Shelley | |

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. WRIGHT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 4997, and finding itself without a quorum, he had directed the roll to be called, when 379 Members responded to

their names, a quorum, and he submitted the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Minnesota [Mr. QUIE] is recognized for 5 minutes.

Mr. QUIE. Mr. Chairman, I shall support a motion to recommit this bill for the purpose of waiting until the wheat referendum is decided by the farmers of the country.

Mr. Chairman, acting on feed grain legislation at this time is premature. It is premature for the feed grain farmers, it is premature for the wheat farmers, it is premature for the Congress.

The reason why this bill is premature for feed grain farmers is that it is based on the premise that the wheat referendum will pass, that a "yes" vote will prevail. On the chance that the wheat referendum does not pass, and there is a very strong chance it will not, from all I hear from over the country, this program will not fit. It will not give the proper protection to the feed grain farmers, and a huge increase in the production of wheat will damage the price of feed grains, also the whole livestock feeding operation will be disrupted because the livestock people will find it necessary to shift to the feeding of wheat rather than corn and grain sorghums and barley. Its effect could be another big buildup in feed grain surpluses again. It is unwise for the Congress at this time to consider a piece of feed grain legislation when we do not know what program the most interrelated crop wheat will be operating under in 1964.

It is premature for the wheat farmer because he is making his decision in this referendum on May 21. He may decide he does not want the certificate plan, a plan which will make Government control more stringent, more mandatory than ever before, bringing Government direction not only to the farmers but to those who merchandise the grain after the farmer sells it to them, all the way up to the person who mills the wheat.

If the wheat farmers turn the referendum down, they ought to have the opportunity of having enacted in this session of Congress legislation which will protect them in 1964.

The alternative for the certificate wheat plan, as has been stated by the Secretary of Agriculture, is something that will bring disaster to them. He plans, he states, to cover all the international wheat commitments from the CCC wheat stocks which would result in new crop wheat being dumped on the market, thereby creating a hardship. I do not think the situation will be as bad as he claims, but in the event it is the Congress ought to be ready to act and act quickly. There has been pressure from the feed grain areas because for 1964 we have now virtually no program. That means 80-cent corn. Pressure will be on the Congress to act after the wheat referendum and before Congress adjourns. There is no urgency to pass this bill at the present time. There is plenty of time after May 21 and before adjournment.

For the benefit of the wheat farmers of this country we should wait on this feed grain legislation and for once pattern a bill treating wheat and feed grain alike. That is what we ought to do. For that reason it is premature for the Congress to act now because we are not acting on a situation as it will be after May 21. We are acting on what some people hope it will be, hoping that the farmers will adopt the referendum. Rather we ought to wait for a month and find out what the situation is in connection with wheat and legislate then as intelligently as we possibly can. At that time we ought to put together a wheat and feed grain program similar to that which we now have before us for feed grains—a voluntary program, the benefit of the program going to those who comply with it, payment in kind for reduced production, thereby getting rid of the surpluses that confront us. This has worked so well in connection with wheat grains, so that at the end of the 1963 market year the surpluses will be down to a normal carryover. The carryover is going to be high, 45 million tons, but that normal carryover has been established by the Department of Agriculture. If the program could be permitted to work for wheat, you would find a reduction in that surplus commodity in a very short time, and that is what ought to be done.

Let us look at the feed grain bill before us. It is unwise for the reason it is giving so much added discretion to the Secretary of Agriculture. He can virtually make this voluntary program into a mandatory program.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. HOEVEN. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. QUIE. Mr. Chairman, this could turn out to be a mandatory program, because now it is based on the philosophy that the person who participates to the least amount will be benefited the greatest. This means he could force everybody into the program and not just use it to reduce the production. The Secretary has not indicated he would do so; however, the law leaves it wide open now so that the price support loan rate could be unreasonably low and the compliers would be benefited by direct payment as much as the Secretary wants to make it, and thereby he could force everybody who raises feed grains, because of this power he has, by complete discretion, to manage it in every way possible. And, I do not believe, judging from the experience with the present Secretary of Agriculture, that we ought to give this discretion to him, because he has harmed enough programs, he has harmed enough commodities in this country like dairy products and cotton to indicate that he would not any more wisely handle the feed grain program.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. SHORT].

(Mr. SHORT asked and was given permission to revise and extend his remarks.)

Mr. SHORT. Mr. Chairman, I do not know when I have been in this Chamber

considering a bill under any more unusual circumstances than we are witnessing here today. I think there are few people on our side of the aisle that are completely opposed to this feed grain bill, but we are opposed to it now, at least I am opposed to it, because I think it is completely unnecessary that this bill be before the House of Representatives at this time. Many of us on this side of the aisle would like to support this legislation. I would like to add right there, however, that I would only support it if it could have some improving amendments. This bill has a lot of possibilities for improvement, as most of the bills that come before Congress have. My concern at this time—and this is a most sincere concern—is that we are going to be in a most unfortunate position if we pass this feed grain bill before we know what the result of the wheat referendum is going to be. I do not think, whether we pass this bill or whether we do not today, it is going to have any material effect on the outcome of the wheat referendum. I think most farmers know—at least, they have good reason to know—that Congress will extend a feed grain program. I think all we need to clear the air is for the leadership on the majority side to take the same position that they have taken in regard to future legislation, if the wheat referendum fails. The majority party have announced that if the wheat referendum fails, there will be no future legislation. I do not know why they take this arbitrary position. I hope that if the wheat referendum does fail, and it could fail, they will remember these words and maybe have to live with them back in their own districts. But, I think if we need something to clear the air about what the farmers are going to have in the way of feed grain legislation if the wheat referendum fails, all we need is a statement from the majority side to the effect that Congress will consider, as I am sure we will, feed grain legislation after May 21.

Let me point out something that is most important. I do not think we should be so concerned about this bill in the event the referendum passes, because it does fit in, as has been pointed out here, with the certificate wheat program. But, where are we if the referendum fails? And, the referendum could fail. There are a lot of farmers that just do not like this certificate wheat program. As I have said many times, and many other people on this floor have said—and this is the truth—there has never been a more restrictive, completely compulsory wheat program offered to the American wheat farmers than this certificate program that they are being asked to vote for, in the wheat referendum.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. When we passed this bill last year, did not the Wheat Growers Association indicate that was the kind of a program they wanted?

Mr. SHORT. Which bill are you talking about?

Mr. JONES of Missouri. I am talking

about the program that they are going to vote the referendum on.

Mr. SHORT. I supported the feed grain program that we passed a year ago, I will say to the gentleman from Missouri, and I think I made it plain that I will support the bill again. But I do not think this bill should be passed now because if the referendum fails how can we people who represent agricultural areas who have a responsibility come back here to Congress and incorporate into this feed grain bill some protection for the wheat farmer beyond what he is going to have if he in his wisdom turns down this choice he is going to have to make in the wheat referendum? His only choice is to accept the most restrictive program he has ever had to live with or virtually no program and the added burden of the Government having over 1 billion bushels of wheat that would compete with the farmers' production.

Mr. Chairman, I would like to be able to come back here and consider this feed grain program in a little bit more congenial atmosphere and explore the possibility of adding wheat to this feed grain program. I think this feed grain program has some very desirable characteristics. First in my book is the simple one that my friend, the gentleman from Texas, very properly emphasizes, and that is that the farmer if he does not like Federal farm programs can stay out. He can simply not participate. This is the completely voluntary feature of the feed grain program that the administration endorses so ardently. The wheat farmer is deserving of the same consideration and treatment.

Mrs. MAY. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Washington.

Mrs. MAY. May I suggest to my distinguished colleague from North Dakota that the gentleman from Missouri [Mr. JONES] asked a question and I would like to have him have an opportunity to repeat it here. Perhaps the gentleman did not understand it. Am I right in that the question was this: Did not the wheatgrower organizations support this wheat certificate plan that was in the referendum? Am I correct?

Mr. JONES of Missouri. If the gentleman will yield, that is what I asked.

Mrs. MAY. If the gentleman from North Dakota will yield further, I believe the gentleman did not support the wheat certificate plan.

Mr. SHORT. If I left the impression that I ever voted for any bill that incorporated the certificate wheat program it was not my intention, and I want to correct the RECORD now. I did not support the farm bill last year largely because it included the certificate wheat program. I did support at a later date the extension of the feed grain program. It was somewhat different than the program that we now have under consideration.

Mrs. MAY. If the gentleman will yield further, I thought the gentleman would like to have that clear, and would the gentleman agree that while the National Wheat Growers Association did support

the legislation, not all the State groups did?

Mr. SHORT. This is very true and I thank the gentlewoman from Washington for helping me clarify my statement.

The CHAIRMAN. The time of the gentleman from North Dakota has again expired.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. JONES].

(Mr. JONES of Missouri asked and was given permission to revise and extend his remarks.)

Mr. JONES of Missouri. Mr. Chairman, we have here the question of which came first, the hen or the egg. In other words, some people want to vote on the wheat referendum and then pass a feed grain bill. There are others of us who feel that the feed grain bill should pass first. There is a difference of opinion and I think it is an honest difference of opinion. But we hear them on the other side say "let us postpone it, let us postpone it." All I have heard from that side during this entire session of Congress is "why do we not do something? Let us get to work. Let us pass some legislation." Then here they come today and say "let us postpone it again." I cannot understand it. I know this, though: that there are a lot of Representatives from the Republican areas who are under strict discipline here today whose farmers want this feed grain program and I know that is the reason they do not want to vote on it today. But I think their feet are going to be held to the fire. They are going to have to take some chances on it. They are going to have to go on the RECORD today.

Mr. Chairman, we have seen used a lot of figures here today. I have always heard that figures will lie and liars will figure. Some Members have used figures to show how costly this program is. I will admit that figures are sometimes complicated and hard to understand. However, there was one figure used here today and bandied around the House a lot, and it just is not true, and that is the sum of \$963 million for 1963 is represented as being land diversion payments, when it actually includes \$490 million for price supports. If we did not divert those acres, we would have tied up more money in this program than we have now. Under the provisions of this bill which we are considering today it will save money, and it will cut down production and it will bring the supply and demand in balance. It will cut out a lot of this acreage and those people who say they want to save money are going to get the chance to go on record and see if they really want to save some money.

I was amused at one of the speakers during the debate on the rule when he was pointing out what authority we were giving the Secretary of Agriculture. I do not know of any agency in Government where the administrator of any program does not have some authority to issue regulations and to make determinations. That has been true of any program that has ever passed, whether

it was an agricultural program or anything else. In this bill we have given the Secretary of Agriculture some leeway in order to adjust. As the gentleman from Minnesota said, we are going to bring down the supply in storage to a reasonable level. He has admitted that on the floor today. I think we have to have authority for the Secretary to make that adjustment because it is possible that this program could be so attractive that we would reduce beyond and not have a reasonable reserve stock.

Someone said, "When is the right time to pass this bill?" I think a lot of people say they would like to be for the bill. The fact is the gentleman from Iowa said that he was against the bill at this time because of the wheat referendum. He says, if it backfires, who will be hurt? I will tell you who will be hurt if that wheat referendum backfires. The wheat farmer is going to be hurt. I think the wheat referendum should be approved. If it is not, the wheat farmer is the one who is going to suffer.

I want to say to the gentleman who is talking about how the administration stands that I do not represent the administration. I represent one person on the House Committee on Agriculture; and if that wheat referendum does not carry I do not intend to vote for any further wheat legislation at this session. If the farmers make their bed, they can lie in it for a year. That is the way I feel about it. I think my good friend from North Dakota has been listening to Mr. Shuman too much. Mr. Shuman has been telling the people all over the country to vote down this referendum and you will get some more legislation. I do not think he knows what he is talking about. I know that anything that Orville Freeman would be for, Mr. Shuman would be against, I do not care what it is. He has emphasized that time and time again.

I think that before we cast our vote today we have a clear issue here and I think, according to the people who have talked on the other side today, they have indicated to you that there was a lot of good in this bill. They have indicated that we need this feed grains bill. They have admitted that it has brought down the surplus and that it has saved money; they have admitted that this new program will continue to save money. For that reason I think it will carry. I think it will be most embarrassing to any Representative coming from a farm area that produces feed grains to vote against this bill. He is going to have a heck of a time explaining that to his people when he gets back home, that he voted against it. That is all I have to say at this time.

(Mr. JONES of Missouri asked and was given permission to revise and extend his remarks.)

Mr. HALL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred fourteen Members are present, a quorum.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. McINTIRE].

Mr. McINTIRE. Mr. Chairman, on page 35 of the report on this bill I filed some additional minority views pointing out my concern with the action the Secretary of Agriculture had taken in the use of section 22 of the ICC Act as a vehicle to implement reduced rates of freight into the Southeast, and also the sales policy of the Commodity Credit Corporation at 25 cents a bushel above the cash price of corn in Chicago.

My contention has been that these actions were not within the framework of keeping a fair and normal competitive balance between the Southeast users of feed, and feed users in the Northeast.

I grant that the Secretary had full authority, but it has been my contention that the Secretary has an equal responsibility in the administration of the Feed Grain Act to the feed grain users in the Northeast deficit area as to the feed grain users in the Southeast.

Recently the Central Connecticut Farmers Cooperative Association has prepared an analysis of what we in the Northeast consider to be a very inequitable situation. Time will not permit going into a lot of detail, but let me point out a couple of figures.

Normally the differential between New England and the South Atlantic States has been 12.9 cents a bushel, and between New England and the East South Central States 19.5 cents a bushel. In March of 1963, the relationship had moved adversely to New England to 15 cents in relation to the South Atlantic States and from 19.5 cents to 35 cents in February 1963 and 29 cents in March adversely in relation to the East-South Central States. As we know, this disparity has been brought about by the sale policy which the Department promulgated January 9.

Let me put this into other figures as far as dollars and cents go. This report from Connecticut indicates that this has meant about \$525,000 annually to the poultry farmers in Connecticut, placing these farmers at a disadvantage relatively to the Southeast of about \$350 per farmer per year.

Again, I say the Secretary has the authority, but in this instance I think his authority was used altogether too much in the interest of a regional area and that he overlooked his responsibility using this authority in fairness and equity to two areas that compete with each other in the marketplace. Let me convert this into a total New England area. In New England in 1961, we used approximately 728,000 tons of corn. In my State of Maine, it was 303,000 tons or a little less than half. If I were to take this same basis of figures and convert them into the difference this has made from a competitive relationship, one area with the other, then according to my figures this is adverse to the New England poultry industry by about \$1 million a year.

(Mr. McINTIRE asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentlewoman from Washington [Mrs. MAY].

Mr. STAFFORD. Mr. Chairman, will the gentlewoman yield?

Mrs. MAY. I am glad to yield to my colleague.

Mr. STAFFORD. I would just like to say, I join in and support the remarks of the gentleman from Maine [Mr. McIntire] who just spoke. I completely endorse what he said and entirely support the position he has taken. This legislation is detrimental to the interests of poultrymen and dairy farmers of the Northeast. It is ill timed. It grants the Secretary of Agriculture too much power. I thank my colleague the gentlewoman from Washington for yielding.

Mrs. MAY. Mr. Chairman, the House today is being presented with some duplication of argument, which is not unusual. I rise at this time to reemphasize some points concerning this legislation that have already been discussed by my colleagues on this side of the aisle. I do, however, present these facts representing a somewhat unique wheat growing area in the United States; namely, the Pacific Northwest.

One of the previous speakers from the majority party said that a great many of us on this side do think this legislation is good legislation and that our farmers want it, and if we vote to delay it today, they are going to be unhappy.

I would like to submit, before I make any further remarks, that actually my district in the State of Washington, which is not a major feed grains producing area, probably it would be far better if I opposed the feed grains bill in toto all the way through. That is, that should probably be my stand if I were representing the feeling and thinking of the majority of the farm population in my area. However, my stand and my work with this bill in committee, and the remarks I make on it today, I make on behalf of the wheatgrowers of my area, and in this respect I have no basic objections to congressional approval this year of a feed grain bill, because I believe the Nation's major feed producing areas need this legislation and I am trying to reflect more than parochial interest.

Mr. Chairman, I think the Congress must approve a feed grains bill because of the obvious need for feed grain legislation in 1964. However, like others, I am opposed to the premature consideration of feed grain legislation at this time. Again for the reasons, that have been pointed out, we do not know whether the wheat farmers of this Nation are going to approve or reject the wheat certificate plan in the referendum on May 21.

I have just returned from my own district where I visited with the wheatgrowers in all of the major wheat-producing counties of my district. It would be very difficult for me to make any sort of prediction at this time, as a result of questioning them and talking with them, what the vote in the State will be on May 21. I do know that if the wheat certificate plan is accepted the wheatgrowers of this White wheat and summer fallow area will very much need the plan presented in the feed grain legislation for substitution of acreage, and inclusion of oats and rye.

On the other hand, I do know that if the wheat certificate plan is voted down by the wheat farmers of this Nation, the situation will be far different and that my wheatgrowers will need remedial wheat legislation which I for one have promised I will try to get for them.

I would say that the question most often asked me by my wheatgrowers when I was home, asked in special meetings called to discuss the referendum with me and with others, the question most often asked was, "In case the wheat certificate plan is turned down in the referendum, will there be a chance to pass remedial legislation in Congress for wheatgrowers?" I gave them as honest an answer as I could. Nobody second-guesses what Congress will do before action takes place. All I could do was list to them certain features that would be involved in this decision and what might be in the minds of each Member on May 22.

In this respect I pointed out that I was extremely interested in noting that on Sunday, April 21, the distinguished chairman of the Wheat Subcommittee indicated on a nationwide radio program that in the event the wheat referendum failed the Congress would consider remedial wheat legislation. I might say, of course, that up until then administration spokesmen on this point have stated emphatically that the farmers could take it or leave it as far as they were concerned, and that if they turned down the certificate plan there would be no other plan available to them.

Mr. HORAN. Mr. Chairman, will my colleague from Washington yield?

Mrs. MAY. Yes, I am pleased to yield to my colleague from Washington.

Mr. HORAN. My colleague the gentlewoman from Washington [Mrs. MAY] and I have almost identical districts. Our farmers feel they are being coerced a little bit in this matter. At this time there is a feeling of uneasiness among them, as has been pointed out today. The difficulty arises because of summer fallowing practices and the need for substitution acreage. They object to the provision which would allow an element of compulsion, and to the element of mandatory authority which it appears is given in this bill.

Mrs. MAY. I thank my colleague from Washington.

Mr. Chairman, it is significant that the able chairman of the Wheat Subcommittee should make the statement he did in the radio program because it had been inconceivable to me that the administration would sell the wheat farmers short if they voted against the wheat stabilization plan.

If this body sends H.R. 4997 back to the Committee on Agriculture to be held until after May 21, I feel certain there will be no major difficulty in passing a feed grains program then. Then we will know what the situation really is instead of what some people wish it to be, and we will be able to help the farmers in any other area then necessary, particularly if remedial wheat legislation is called for in the event of a no vote in the referendum.

There is plenty of time. There is no

need to rush through a program at this time that would not go into effect until next year.

As to the provisions of H.R. 4997, although I do not like all the discretionary authority provided the Secretary of Agriculture, nor do I particularly like the costly compensatory direct payments of the bill, these are not my major objections, as I have stated. My main objection is this bill is entirely premature at this time.

(Mrs. MAY asked and was given permission to revise and extend her remarks.)

Mr. STAFFORD. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. JONES of Missouri. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JONES of Missouri. Will the Chair state whether the Chair is counting those Republicans who went back in the cloakroom?

The CHAIRMAN. The Chair will respond to the inquiry, which is not a parliamentary inquiry, that he is counting Members as they leave the Chamber.

The Chair counts 102 Members present, a quorum.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. PURCELL].

Mr. PURCELL. Mr. Chairman, it is my privilege at this time to serve as chairman of the Wheat Subcommittee of the Committee on Agriculture in the House.

Before making any further remarks, I want to comment on the statement made by the gentlewoman from Washington in regard to a nationwide program that ran on last Sunday, April 21. The statement that I made was this, in substance, when asked a question as to what would be the situation in the Congress if the referendum failed:

Those of us from the farm areas of the country would do all we could to see that the farmers were given the kind of program they wanted to have.

I immediately continued by saying that in my judgment, based upon statements made by people in responsible positions in both parties of this Congress, I thought it very unlikely any legislation could be secured at that time.

Only yesterday I learned that I was being quoted in the State of Washington as saying that further provision would be made. I did not make the statement in that manner. I made it in the manner I have just indicated.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. PURCELL. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Anyone who makes a statement about the prospect of legislation in an area of this kind is being completely reckless with the wheat farmers of the United States.

Mr. PURCELL. That is my judgment, and I have tried to make that clear in any public statement I have made.

In regard to the accusations that are made as to why we have to have feed grain legislation at this time, I would like to reflect a few minutes with you as to why we want information on any election that is being presented to us.

Is it proper, is it not the purpose in any election for those who are going to vote to have every bit of knowledge they are capable of getting before they are called upon to vote? The law requires that on May 21 the wheat farmers of this country will be required to vote for or against the wheat program that is now in existence. That is the law, not what we may think the law should be. It is only fair in my judgment that those farmers have all the knowledge that they can have available to them. There is a provision in the wheat law, the law that is to be voted on on May 21, which for some reason has not been mentioned by those I have heard comment on this bill today. I am quoting, or going to quote, from the wheat law that is in existence, which will be passed or defeated on May 21.

Section 328 of that act states:

SEC. 328. Effective with the 1964 crop, during any year in which an acreage diversion program is in effect for feed grains, the Secretary shall, notwithstanding any other provision of law, permit producers of feed grains to have acreage devoted to the production of feed grains considered as devoted to the production of wheat and producers of wheat to have acreage devoted to the production of wheat considered as devoted to the production of feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program for feed grains or wheat.

Now, if we are responsible and if we want to be fair about what the wheat farmers of America need to know when they go to the polls to vote, surely we must be fair enough to emphasize that they will then, for the first time to my knowledge, have a choice of exchanging feed grain acres for wheat acres and, conversely, they will be allowed to exchange wheat acres for feed grain acres. In my judgment we owe it to the farmers of our country to give them every bit of knowledge that they can have. They will not know what the law provides for them in regard to feed grains when they go to the polls on May 21 unless we pass a law that is being proposed here now. If we are interested in being fair with our farmers, if we are not interested in playing politics with our farmers, it seems to me that it is incumbent upon us now to pass the feed grain bill that is before us.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HARVEY].

(Mr. HARVEY of Indiana asked and was given permission to revise and extend his remarks.)

Mr. HARVEY of Indiana. Mr. Chairman, in lieu of presenting to the House some comments I had prepared, an incident happened during the course of the day which caused me to change the tenor of the remarks I had planned to make.

A Member of Congress came to me and said in all seriousness:

We have been listening to the debates on farm programs on the floor of the House for many years. Most of you are so technical and get so involved in your discussions that those of us who are not acquainted, particularly those of us who are consumer Congressmen, just feel that you do not make it clear to us what the problem is all about.

And, I am going to address myself very briefly to that point; particularly I hope this will be of interest to consumer-type Congressmen.

Most of you know I am a farmer; a grain and livestock farmer on a family farm in Indiana. I have a college degree in agriculture and I majored in animal husbandry. I taught agriculture for 5 years; then went to farming and farmed for 20 years until coming to the Congress. I still have an active interest in our home farm, and our son and family are engaged in farming there today.

Now, one of the very first things that I think most people try to do is to oversimplify the problem. In doing it they try to classify all farmers and all farm commodities in the same category. If there is any one thing we have learned during the years, it is the very fact that each commodity represents a separate problem, and the remedy that might suit the needs of one commodity group and fit into their problem might not suit the livestock producer at all.

In order to get at the proper context also of the grain and livestock problem, I think you have to realize that approximately two-thirds and sometimes a little more or a little less of all agricultural income is derived from livestock and livestock products. So, in dealing with this particular item, you are dealing with the biggest single item so far as agriculture is concerned.

Now, the basic philosophy of the grain and livestock farmer has been entirely different in most instances than that of the producer of other commodities. Time will not permit me telling you or going into detail why this is true, but, please believe me, it is. But, one of the principal tenets that has been obvious from the very beginning of the grain and livestock farmer is that he wants to continue to provide the consumers of this country with the very finest diet in the world, which is a meat diet, and he is willing to take his chances in the free market to produce this commodity. Now, his occupation is not the easiest one in the world or in many instances, the most productive one, either. I can say to you that if there is such a thing as an average grain-livestock farmer today, if his income averages as much as the average hourly wage of an employee in a factory, he is pretty lucky.

Most of them are not making much money today for their work, much less the interest on their investment. In most cases it requires \$100,000 to put a man to work on a grain and livestock farm.

Mr. Chairman, we are at the point where the grain and livestock farmer, being intimately associated in his problems with the wheatgrowers and in many instances being all three at the same time, is at the crossroads. This has been building up, this decision that they are facing now has been building

up for many years. The day of decision is coming in less than a month.

Mr. Chairman, I am going to dwell when we get into the reading of the bill for amendment at a little greater length on some of the facets of this problem. But I want to say that I hope in considering the problem of the livestock and grain farmers we will think of it in this context and think of it sympathetically. There is no place in the wide world where the consumer is so well fed, with such a high standard of diet, as they are in this great United States of ours.

Mr. HOEVEN. Mr. Chairman, I yield 7 minutes to the gentleman from Illinois [Mr. FINDLEY].

(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)

Mr. FINDLEY. Mr. Chairman, Mr. Freeman's letter to Congressmen referred to earlier today, indicated that farmer net income is up 10 percent as a result of the grain programs. Now an interesting point was brought out by Prof. Theodore Shultz, noted economist, University of Chicago, who was quoted favorably in the Farmers' Union Bulletin just this past week, took note of this fact: Payments to farmers went up \$1.2 billion from 1960 to 1962; whereas income of farmers, including those payments, went up even less, \$1.1 billion. So, if you make a proper and fair adjustment for the amount of direct payments to farmers under these programs, the income of farmers as a result of all this spending—3 years later and about \$3 billion later in spending—the real net income of farmers is actually less than before.

Mr. Chairman, parity ratio tells the story far more meaningfully than price levels. It is the ratio between what farmers have to pay for what they need in their business and what they receive for their commodities. The parity ratio in March this year was 77, down from 81 before these programs started. In my home State of Illinois parity has dropped to 71. The Illinois crop Reporting Service notified me that this was the lowest parity ratio level on record since 1934. So it is a little difficult to see how any fair appraisal could indicate that farm income is better as a result of all this spending.

CHART 1.—Feed grain program—Farm cost price squeeze

| | Parity ratio |
|--|--------------|
| December 1960 (before feed grain programs) | 81 |
| March 1963 (after 1961-62 feed grain programs) | 77 |

Source: Agricultural prices, USDA, April 1963.

| | Million |
|--|------------|
| Direct payments to farmers (1960-62) | up \$1,200 |
| Net farm income | up 1,100 |

Adjusted net farm income down 100

Source Dr. Theodore W. Schultz, professor of economics, university of Chicago, recognized authority in agriculture at Ames, Iowa, December 1962.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I will be glad to yield to the gentleman from Minnesota.

Mr. NELSEN. The first 3 months of this year the parity ratio level is the lowest since 1939, and these figures come from the Department of Agriculture.

Mr. FINDLEY. I thank the gentleman.

Mr. Chairman, earlier I reviewed the tremendous administrative cost, over \$100 million just to pass out the payments to the farmers, more than is spent for all of the officers and all of the clerks and all of the secretaries employed by all of the 435 Members of Congress.

CHART 2.—Feed grain program—Administrative costs

| | Costs (million) |
|-------|--------------------|
| 1961 | \$42 |
| 1962 | 29 |
| 1963 | 30 |
| Total | 101 |

Or \$13.1 million more than the total expenditures during the 3-year period (fiscal year 1963-64) for the salaries of all the officers and employees of the House of Representatives and the staffs of its Members.

Source: H. Rept. No. 180, 88th Cong., p. 14 and the budget of the U.S. Government, fiscal year 1964, p. 132.

In 1962, by department reports—and all of my figures come right out of the U.S. Department of Agriculture—the Department reports the reduction of surplus in 1962 was 11 million tons. Our direct payments were \$842 million, for a cost per bushel for the reduction in stockpile that year, of \$2.14. This is based on the assumption that all of this reduction was due to the program. That I doubt, but even if we make that assumption, the cost is \$2.14 per bushel—twice the value of the grain. This does not include administrative expenses; it does not include realized losses to the Commodity Credit Corporation. If these losses were included of course the cost per bushel would be still higher in 1963. I base this on "Feed Situation," the document which reached my office from the Department of Agriculture in the middle of April. The anticipated reduction is a little less, actually, than \$2.3 million tons. This year, with payments at \$983 million, the cost to the taxpayer for each bushel cut back in our stockpile is \$8.78.

Here again we do not include realized losses, we do not have the administrative costs and if those were included the cost to the taxpayers would be that much higher.

Spend more, get less. That is clearly the story of the feed grain program.

CHART 3.—Feed grain program
SPEND MORE—GET LESS

| Year | Reduction in surplus (tons) | Government payments | Taxpayer cost per bushel |
|------|-----------------------------------|------------------------|--------------------------------|
| 1962 | 11,000,000 | \$842,000,000 | \$2.14 |
| 1963 | 2,400,000 | 983,000,000 | 8.78 |

Source: Feed Situation No. 198, April 1963, USDA, and H. Rept. No. 180, 88th Cong., p. 14.

I would like to refer to the record of 3 years' spending. I have listed the payments in 1961, 1962, and 1963. Then there is the acreage diverted. You will

see that this spending was with 25 million acres diverted in 1961; \$842 million with 28.6 million acres diverted which would be reasonable, to get more diversion as a result of more spending. But in 1963, with payments up \$141 million we dropped back to 25 million acres diverted.

How are we really making any achievement when we spend more, when payments go up and when results go down? We certainly do not achieve anything more as a result of that procedure.

CHART 2.—Feed grain program
PAYMENTS UP, RESULTS DOWN

| Year | Payments | Acreage diverted |
|------|---------------|---------------------|
| 1961 | \$782,000,000 | 25,200,000 |
| 1962 | 842,000,000 | 28,600,000 |
| 1963 | 983,000,000 | 25,800,000 |

Source: H. Rept. No. 180, 88th Cong., on H.R. 4997, pp. 8, 13, and 14.

One of the problems we have faced in considering the feed grains bill is the information that has been presented to us by the Secretary of Agriculture. On February 28 all of you got a memorandum purporting to show that stockpiles were down 1 billion bushels as a result of the operation of these programs. The facts do not bear that out. Yet in a letter that you received just today in support of this bill, the Secretary claimed that stockpiles are down, not 1 billion bushels, but 1.3 billion bushels.

I have a table prepared at my request by the Statistical Branch of the U.S. Department of Agriculture, and from that it is clear that the reduction in stockpiles is 437 million bushels, not the 1.3 billion bushels that the Secretary has indicated.

Mr. McLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield.

Mr. McLOSKEY. Mr. Chairman, I should like to commend my distinguished colleague for presenting a knowledgeable and most enlightening discourse on this very serious subject. He well knows that I represent a district comparable to his. Both of us are particularly interested in the welfare not only of the small farmer but of people who are engaged in the manufacture of farm equipment.

I should like to ask the gentleman two questions. When I was home these questions were asked me. One, do you think that at the present time—and I am speaking of farmers who I am sure want some type of feed grains program—this is the proper time to do it? And second, the bill which is presently before us, does it not have certain defects in it which should be ironed out before we pass any type of feed grain program?

As a Representative of one of the greatest agriculture districts in this great Nation of ours I am vitally interested in any legislation which might have an adverse effect upon the economy and the welfare of the people who sent me to Congress.

Today we are debating H.R. 4997—the feed grain bill—and it is my humble

opinion we must move with caution before we enact any legislation which would destroy those we profess to be concerned about.

Not only does a large segment of my constituency comprise small, honest, hardworking farmers, but the primary labor market in the metropolitan areas of the 19th Illinois District is geared to those who are engaged in manufacturing farm equipment.

Much of our Federal farm legislation has been enacted under the pretense and guise of helping the small independent farmer. I seriously question whether we have obtained the desired results, rather I feel our socialized Federal farm programs are actually doing much to destroy the small American farmer who through the years has done much to further the economy of America.

While the motives of the present bill under consideration may be worthwhile I feel there are many deficiencies which make this bill highly costly and quite ineffective.

I ask what is the immediate urgency in the enactment of this bill at this time? I feel it ill timed and premature. Why the haste before the wheat referendum which is scheduled for May 21? Is the administration attempting to scare and pressure wheat farmers into casting a favorable vote so that the outcome of this measure will satisfy the whims of those who are advocating controls?

Likewise, I feel H.R. 4997 gives the Secretary of Agriculture too much power. Is Congress willing to place in his hands the authority to manipulate the market price to almost any desired level? This bill makes farmers dependent on direct payments. Are we going back to the principles of the oft-rejected Brannan plan?

I know in talking with farmers in my area that the cost-price squeeze is actually the worst it has been in 10 years. Not only have we been getting managed news from the White House, but I also question some of the figures released from the Agriculture Department.

In my opinion, taxpayers are paying more and getting less in the operation of our agricultural program. I do not question but what Federal subsidies enrich the operators of big farming syndicates and certain dishonest operators like Billie Sol Estes. Are we really helping the small farmer?

We cannot continue tyrannical controls imposed by the Agriculture Department and at the same time make it possible for small farmers to operate profitably, and to do so as freemen.

Before we buy a pig in the poke, let us move slowly, let us get all the facts before we pass a new feed grain program.

In conclusion, while I am in favor of some type of feed-grain program, I do not believe this is the type of legislation which will do the job, and I would hope my colleagues would come up with the type of legislation we all could support.

Mr. FINDLEY. There is certainly no hurry in getting this bill out. I think it should be recommitted so the committee can get the facts straight not only on the 1961 and 1962 programs but on

the 1963 program, as to what it is we are accomplishing and what it is costing the taxpayer.

We ought to devise a way to cut back on this excessive cost. Surely there is enough brainpower in the House of Representatives—I know there is—to accomplish this. To me, it is ridiculous for us to pass a program which has gotten so badly out of hand and is costing so much. Instead of giving more authority for more spending to the Secretary we should be curbing that authority.

Now I should like to speak about the production of feed grains this year compared with the so-called base years preceding our feed grain programs. If we take the 1959–60 base years we find that production in those years averaged just 1 million tons more than is expected by Department estimates this year. With only 37 million bushels less production this year, we are spending in direct payments in 1963 a total of \$983 million. If you divide the 37 million bushels into all that spending you come up with a per-bushel cost of \$27 for each bushel reduction that we have achieved this year in the production of feed grains compared with the 1959–60 base years' average. A bushel of corn such as is displayed out in the corridor is worth only \$1 to a farmer in Illinois. Why should the taxpayers spend \$27 a bushel, \$8 a bushel, or even \$2 a bushel to get rid of it?

(Mr. McLOSKEY asked and was given permission to revise and extend his remarks.)

Mr. NELSEN. Mr. Chairman, while I am in agreement that the feed grain program of the last 2 years has been helpful in holding the line on production, the record is clear that many of our farmers have been hurt by the way the program has been administered under the 1961 and 1962 provisions. Dumping of Commodity Credit surpluses at bargain prices has contributed to the downward slide of livestock prices and the income of Midwest farmers.

Great and often exaggerated claims are made by the Secretary of Agriculture for his program which last year he said was only a temporary measure which would be ineffective as a permanent program—and in any event, too costly. I suppose it makes some difference which bill is being sold and to whom and for what purpose. At any rate, it would seem to me that the feed grains program has displayed some effectiveness in holding the line on production. Total feed grain production in the 1962 crop year is said to have been 143 million tons—only 3 million over the 5-year average for the years 1956–60 and only 3 million over 1961.

Feed grains: Production, United States—
Total corn, oats, barley, and grain sorghum

| | 1,000 tons |
|-----------------------|------------|
| Average, 1956–60..... | 140,215 |
| 1956..... | 119,308 |
| 1957..... | 132,424 |
| 1958..... | 144,122 |
| 1959..... | 149,605 |
| 1960..... | 155,618 |
| 1961..... | 140,626 |
| 1962..... | 143,093 |

And this record on 27½ million less acres planted than the 1956–60 average since the ingenious farmer increased the yield per acre by an average of over a quarter ton.

With total production of feed grains at 143 million tons in 1962, an increase of 3 million over 1961, it can hardly be maintained that the feed grain program was

the cause for CCC owned stocks to be an estimated 250 million bushels less on January 1, 1963, than they were on January 1, 1962. The answer is not to be found in the workings of the feed grain programs but rather as a result of increased domestic utilization and a high level of exports.

Total feed grains, supply and utilization

[Million tons]

| Marketing year beginning | Carry-over | Supply | | | Utilization | | | | |
|--------------------------|------------|------------|---------|-------|-----------------|---------------------|------|---------|-------|
| | | Production | Imports | Total | Live-stock feed | Food and industrial | Seed | Exports | Total |
| Average, 1956–60..... | 58.6 | 140.2 | 0.7 | 199.5 | 108.7 | 10.4 | 2.4 | 11.1 | 132.6 |
| 1960..... | 74.6 | 155.6 | .4 | 230.6 | 120.2 | 10.7 | 2.3 | 12.7 | 145.9 |
| 1961..... | 84.7 | 140.6 | .5 | 225.8 | 123.4 | 11.1 | 2.2 | 17.3 | 154.0 |
| 1962..... | 71.8 | 143.1 | .3 | 215.2 | 125.4 | 11.1 | 2.1 | 15.6 | 154.2 |
| 1963 ¹ | 61.0 | | | | | | | | |

¹ Preliminary utilization and carryover at the end of the year based on indications in January 1963.

I might point out that roughly two-thirds of the feed grain exports during the 1961–62 marketing year were handled through regular commercial channels with no assistance from Government export programs. It is estimated by the Department that exports will be somewhat less during 1963 due in part to the new import tariffs of the Common Market countries and since it would not be reasonable to expect a repeat of the adverse weather conditions which necessitated European imports last year.

The record domestic utilization of feed grains during the past year resulted from the continued increase in the number of cattle kept for meat on farms in the United States. This total reached a record high of 74.7 million on January 1 of this year. This 6-percent increase over the past year is part of a long-term 26-percent increase beginning in 1958. Coupled with this increase in numbers is the continued emphasis on the use of feed grains and high protein concentrates in cattle feeding.

Production of hogs has also increased—the 1962 fall pig crop was the second highest on record—44.5 million, or 5 percent above the preceding year. This total was surpassed only in 1943.

Now what is the point of all this? Simply that in the face of greatly increased number of hogs and meat cattle the Secretary of Agriculture has dumped feed grains on the market. And this he has done in spite of his having made strong statements in the past to the effect that “cheap feed means cheap livestock.” He apparently set out to prove his statement and what an effective job he has done.

Prices of choice slaughter steers at Chicago fell from \$30.47 last November down to \$22.91 in March of this year. Hog prices also skidded in the first quarter of this year—I quote from the Department's publication “The Current and Prospective Cattle Situation of April 1963”:

Hog prices also dropped sharply during the first quarter of 1963, due largely to the supply situation.

The statement goes on:

The number of hogs slaughtered in federally inspected plants in February was 7 percent above a year earlier, and the weekly rate of federally inspected slaughter in March was up 8 percent from a year earlier.

The hog-corn ratio has been above the 1952–61 average during the past few years. The ratio average for 1961–62 was 16.5 compared to the 1952–61 average of 13.9. The beef-corn ratio also has been high: During 1962 the average price of beef steers at Chicago was equal in value to 24.7 bushels of corn—substantially above the 1952–61 average of 19.0.

The feed ratios during 1962 were such as to encourage production of hogs and beef—the farmer will feed his grain instead of selling it for cash if it means more money in his pocket. Yes, Mr. Secretary, the result as we see it is indeed that “cheap feed means cheap livestock”—you have proved it. At the farmer's expense, of course.

I have consistently opposed vesting in the Secretary's hands the authority to sell surplus feed grains at prices which will depress the market. The Secretary demanded this clubbing authority in 1961 and in 1962. I objected then, but he was given that authority and he used it. In his zeal to reduce surplus stocks of CCC feed grains, 272 million bushels of corn were sold from CCC stocks outside the feed-grain program in 1961–62 and in all a total of 857 million were dumped on the market during the marketing year ending September 30, 1962.

The price of corn was at 60 percent of parity in March of 1962 or \$0.986 per bushel compared to the average 1957–59 price of \$1.10. Selling corn out of CCC stocks at \$1 when the support price was set at \$1.20 had the effect of depressing the market, especially during the first half of last year when CCC sales were particularly heavy. When CCC sales declined at midyear, then commercial stocks came into the market and the result was price depressing during the whole year.

With depressed corn and livestock prices resulting from the administration

efforts of the Secretary of Agriculture we find that the American farmer's parity ratio during the first quarter of this year stood at 77 percent—the lowest first quarter parity figures since 1939. Is this the type of administration discretion with which to burden American agriculture?

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. BEERMANN].

(Mr. BEERMANN asked and was given permission to revise and extend his remarks.)

Mr. BEERMANN. Mr. Chairman, we have listened to some fine speeches on the great accomplishments of the feed grain program. It is not my purpose to disagree with my esteemed colleagues regarding the merits of a feed grain program. I believe that a feed grain program with specific legislative instructions to the Secretary, passed after the wheat referendum, and better yet after the feed grain harvest this fall, will be desirable. I am certain that voting at this time on an overgeneralized feed grain bill with unlimited authority in the hands of this Secretary of Agriculture is premature.

First, I wish to make some serious charges against the Secretary of Agriculture. He consistently gives no consideration to the legislative intent of the Congress. For example:

First. He has flagrantly disregarded the expressed instructions of the Congress with respect to feed grains, as revealed in the statement signed by the members of the majority party in their statement accompanying the conference report. Let me cite the example that I am referring to.

On page 18544 of the CONGRESSIONAL RECORD, the following statement appears:

The conference agreed to the House bill with respect to the 1963 feed grain program with the following changes:

(3) A single payment rate of up to 50 percent of the value of normal production would be substituted for the payment rates of 45 and 50 percent provided by the House bill.

What did the Secretary do? He provided for two payment rates, one of which was as low as 20 percent of the value of the normal production. I know that the chairman of the committee signed the report, and I would like to hear his explanation for permitting this violation of the specific instructions of the conferees.

Second. In the presentation of the wheat program to the Congress, the Secretary stated several times that in determining the acreage allotments, an amount of wheat would be subtracted from the total wheat demand in order for the Government to reduce its stocks.

As a matter of fact in a release from the Office of the Secretary in February 1962, page 23 of the proposed Food and Agriculture Act of 1962, the following paragraphs appear:

HOW PROPOSED WHEAT PROGRAM MIGHT OPERATE
Examples

Nationally: Here is how the proposed wheat program might work nationally, using reasonable but assumed price supports and

acreage reductions in a hypothetical and preliminary example:

Total wheat demand estimated at, say, 1,250 million bushels.

The Government decides to reduce stocks by, say, 150 million bushels, with two-thirds of it going into exports and one-third to domestic supplies. This leaves a total market to be filled by farmers of 1.1 billion bushels.

At average yields, this produces an acreage allotment for the 1963 crop of 43 to 46 million acres.

Congress acted on this and gave the Secretary exactly what he asked for in this area. Section 332(b) of the Food and Agriculture Act of 1962 reads as follows:

If a national marketing quota for wheat has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than April 15 of the calendar year preceding the year in which such marketing year begins. The amount of wheat which the Secretary estimates (i) will be utilized during such marketing year for human consumption in the United States as food, food products, and beverages, composed wholly or partly of wheat, (ii) will be utilized during such marketing year in the United States for seed, (iii) will be exported either in the form of wheat or products thereof, and (iv) as the average amount which was utilized as livestock (including poultry) feed in the marketing years beginning in 1959 and 1960; less (A) an amount of wheat equal to the estimated imports of wheat into the United States during such marketing year and, (B) if the stocks of wheat owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of wheat determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the act.

However, when the Secretary in his great anxiety to get a favorable vote for his straitjacket within a straitjacket chose to forget the requirement that in determining the allotment, the Secretary must set aside the quantity which he had been telling us all along he would set aside. He raised the allotment by this maneuver from 43 to 46 million acres to 49.5 million acres. He suddenly discovered that he would pay for this at the rate of \$1 a bushel, raising the cost of the program by some \$50 million.

I say that the Secretary has disregarded the law and the legislative intent.

Third. In view of the Secretary's past history, I do not believe it desirable to give him the unlimited authority which is provided in this proposed legislation. First, there is no limitation on the expenditures. Second, there is no instruction as to the proportion of the price support to be made up by direct payments.

As a matter of fact, he could make all of the price support up by direct payments through setting the loan at zero. We are not unmindful of the fact that the proposed legislation will provide for the making of very substantial payments during a presidential election year, and that the Secretary might be politically motivated in the determination of the levels of loan rate and cash payments to such an extent that tremendous payments would be made just prior to November, 1964.

The authority that is provided here for the Secretary with respect to loan rates payments, acreage reductions, and diversion percentages are just too great. The Congress is handing the Secretary of Agriculture a blank check.

Fourth. In the Secretary's press release dated March 29 he stated that a "no vote" in the wheat referendum will mean about 65 million acres in production and about 1½ billion bushels produced. It is obvious that somebody did not tell the Secretary what he was signing in the Federal Register, and which was also dated March 29. On page 3255 of the Federal Register, the Secretary says that there would be 70 million acres of wheat harvested, and the production would be about 1.6 billion bushels if no wheat marketing program is in effect for 1964. Which figure does the Secretary believe?

It is obvious to me that there is entirely too much irresponsibility with the use of statistics by the present Secretary of Agriculture. I do not want to give him the unlimited authority asked for in this legislation.

In addition, I wish to point out some of the implications to wheat growers if the feed grain bill becomes law at this time. The Secretary of Agriculture seems to think that the provision under which wheat can be substituted for feed grains, which are nothing but a political sweetener, will be of benefit to wheat producers. It should be noted that the wheat that is produced, as provided by law, would be supported at \$1.30 per bushel. If feed grain market prices are supported at current levels, or lower, then the additional wheat produced will not go into feed use but will be a substitute for the wheat for which the Government will be paying \$1 per bushel to reduce.

In other words, the Secretary has stated in his press release of March 29 that 165 million bushels will be reduced from CCC stocks through a voluntary payment program. It is entirely conceivable that the additional acreage diverted to feed grains from grain sorghums and barley could result in the additional production of at least 165 million bushels. This matter would be decided by the most profitable use of the acreage as far as the individual farmer is concerned. How does this benefit the wheat producer, if the wheat carryover is just as great or greater at the end of the 1964 marketing year as it was at the beginning?

In view of this fact, I think the representatives from the major wheat States should ask themselves, why the rush?

Fifth. The Secretary has stated that if the wheat referendum fails, that wheat prices would drop sharply. I do not believe that in a leap year like 1964 that the smart politicians among the Democrats will fail to propose emergency legislation.

The real issue is not, as Secretary Freeman says, \$2 or \$1 wheat, unless he plans something other than the law states, such as dumping wheat to keep the price down as was done with feed grains. The real issue is: Shall farmers transfer their right to manage their

farms to a government bureaucracy directed from Washington for an experiment of a supply management theory?

In view of this, I suggest we wait. Let us not rush into a complete abdication of congressional authority, not only over the details, but also the purse strings.

Mr. Chairman, now I should like to discuss the Federal Register and a letter I got yesterday from one of my constituents.

On March 1 under "Rules and Regulations" in the Federal Register, page 1979, there appeared this statement with regard to administrative committees of the ASC:

TERMS OF OFFICE—COUNTY AND COMMUNITY COMMITTEEMEN

The terms of office of county and community committeemen and alternates to such office shall begin on the first day of the month next after their election: *Provided, however,* That before any such county committeeman or alternate county committeeman may take office he shall sign a pledge that he will faithfully, fairly, and honestly perform to the best of his ability all of the duties devolving on him as a committeeman, and that he will support the programs he is called upon to administer. A term of office shall continue for 12 months or until a successor has been elected and qualified.

Then there are other provisions of removal from office or employment and so forth.

Mr. Chairman, these people are elected by us in each county. We elect a committeeman on the ASC board in our county, and we expect them to serve to the best of their ability for the people in our county and not for promoting administrative programs that their people might not want. I agree, if anyone signs up under any farm program, they must follow the law, and as to that I say they must carry out their responsibility. But as to going out and supporting programs and promoting them, I want to read part of this letter illustrating my point.

I quote from the letter:

I must write and relate to you a recent (Friday) experience indicating the further erosion of fair play in our Government.

I am a precinct ASC committeeman. We were called to town for a meeting. Never before has the county committee called a precinct meeting to review wheat allotments and indexes (1964) so early. After this was completed, we were subjected to the most partisan, unobjective indoctrination on the Freeman wheat program at taxpayers expense. As if this was not enough, time was given to the chairman of the referendum committee asking for active and 100 percent support of the precinct committee. Since the referendum chairman was unable to attend, the county ASC chairman spoke in his behalf. My blood was doing a slow boil all morning and I finally had enough of that. I told the county chairman he was treading on unethical ground selling a political program while on the payroll, outlined my ideas about the wheat program, and walked out.

I have found out that the ASC office was sufficiently shook up to notify the State office. The crowning blow to the whole deal, which you should know about, was that the morning's agenda was planned by either State or National offices—including the opportunity to the referendum committee. This committee remains somewhat of a mystery to me but apparently it is not tax supported—but has obvious connections with the USDA. I can't understand why this activity can be done by the public servants.

I have said before that I do not like the transfer of authority from Congress to the White House. Congress has transferred more than it should. The gentleman from Ohio [Mr. BROWN] spoke earlier about the transfer of authority to the Secretary or to the executive branch of the Government, and this is proof of a flagrant violation of the intent of Congress.

Mr. Chairman, in summing up my discussion, I would like to say as a producer and a user of feed grains in Nebraska, and I wish that there were 400 Members here to hear this, we plant our crop in the spring. We harvest it in the fall. I do not ask you to wait on this feed grain legislation until after the wheat referendum on May 21; I ask you to wait until after the crop has been harvested this fall. Our fine chairman, if I have to say it loud enough to match voices, I hope everyone here in the Congress and throughout the country hears me at this time, because we make our plans for farming our farms after we produce our crop for the year. That is a better time to propose legislation. In 1961 we had emergency feed grain legislation even though Congress had to organize its committees. We will not have to organize committees in 1964 and better feed grain legislation could be passed in January or February in time to plant the spring crop. If you have been all over the Central part of the United States during the Easter recess, you have found out that it is dry. We may need different legislation than we are discussing today because there may be a shortage of crops because of the weather and neither the Secretary nor the President nor anyone else can change this. I ask you to vote this down. Let us consider legislation after our crops are in and we will know what is needed.

Mr. POAGE. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. OLSON].

(Mr. OLSON of Minnesota asked and was given permission to revise and extend his remarks.)

Mr. OLSON of Minnesota. Mr. Chairman, I wish to point out the success of the feed grains programs by reporting to you the feelings of my constituents.

I have here approximately 100 letters asking me to support this legislation. The most significant thing is, I believe, that I have no letters from my district against this bill.

I also have a report on the signup in the 1963 feed grain program in my district. It shows overwhelming support of the voluntary feed-grain programs. The feed grain area I represent has producer participation as high as 83 percent of the feed grain farmers.

The program is clearly a success and will continue to reduce surpluses and increase farm income.

Mr. HOEVEN. Mr. Chairman, may I ask how the time stands?

The CHAIRMAN. The gentleman from Iowa has 34 minutes remaining; the gentleman from Texas has 61 minutes remaining.

Mr. HOEVEN. Will the gentleman from Texas yield some time?

Mr. POAGE. We are not going to use all our time. The gentleman wants me

to yield time. I now yield 5 minutes to the gentleman from Idaho [Mr. HARDING].

(Mr. HARDING asked and was given permission to revise and extend his remarks.)

Mr. HARDING. Mr. Chairman, I feel deeply the responsibility that is on my shoulders as I take the floor at this time. As most of the Members know, I was the only Member on the majority side to vote against this legislation in committee, and I wrote my additional minority views for the report.

Let us review briefly the history of this legislation. It originated as the Emergency Feed Grain Act of 1961. The bill's purpose was to cut down the surplus and to maintain farmer income until we could arrive at a permanent feed grain program. The committee did arrive at a permanent feed grain program last year and brought it to the floor of the House.

I thought it was a good program. Then, unfortunately, the Members on the minority side said this program was compulsory, it was going to force controls upon the farmers, which it did. It required production controls and provided for price supports, and they said, "Vote down this program and we will come out with an extension of the emergency program," which is exactly what happened.

We extended this program last year. It had support from both sides of the aisle, and I want to point out that that is probably true this year, that many of the people speaking against it now would support this same bill after the wheat referendum.

But I do not find myself in that position. It is a bad bill now, and on May 22 it will still be a bad bill.

I want to say further that the wheat program provided for in the referendum is the best legislation produced in the last Congress. As far as I am concerned, I have encouraged my wheat farmers to vote for it. They have asked for it. The National Wheatgrowers Association, the Idaho Wheatgrowers Association, the National Grange, the Farmers Union have all asked for this wheat bill. If they vote it down now, I believe they should be left to the other alternative that is provided in the referendum.

Getting back to the feed grain program, you have heard how costly it is. That is true. It is very costly compared with the results we are getting. This program will probably cost over a billion dollars. Yet any feed grain farmer can plant all he wants to plant. As long as we spend this kind of money the farmers are going to accept it, and they will not do anything to cut their production back.

When the bill is read for amendments, I shall offer an amendment which I will call a freedom amendment, not that it necessarily gives the farmers freedom, because in my district they have freedom already. The only controlled program which we have is wheat. They can plant all the sugarbeets they want to; they can plant all the beans, alfalfa, and barley they want to; they can produce all the beef cattle, sheep, hogs and dairy products they desire. But my freedom amendment is going to be freedom for

the taxpayers of this country. I come from a farm district, and I think it is important that we do not pass this billion-dollar bill and add that on to our overburdened national debt.

The other morning I heard over the radio that the interest alone on the national debt this year is going to be \$10 billion. I do not oppose a feed grain program as long as it is a program that is going to require some farmer responsibility and one which will cut down production without depending on a billion-dollar subsidy.

I sincerely hope that this House in its wisdom will vote down this bill. If the wheat referendum is defeated, we will probably do nothing; then if the wheat farmers and the feed grain farmers of America later decide they want sensible legislation, our committee will help them enact such farm legislation.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. LATTI].

(Mr. LATTI asked and was given permission to revise and extend his remarks.)

Mr. LATTI. Mr. Chairman, there are certain features of this bill we are debating today that I agree with. I voted for this proposal once, but I shall not vote for it today. I think the Members should examine the increased power that this bill gives to the Secretary of Agriculture, along with some of the other features relative to cost, before they vote on it.

Today I want to talk to you a little bit about the effort being used to pass this bill ahead of the wheat referendum on May 21 and to discuss very briefly the program that the administration wants the wheat producers of America to agree to on May 21. We can pass this bill after May 21 on its own merits. We should not further confuse the wheat farmer with this legislation now.

On May 21 the wheat producers of this Nation will vote on a new proposal which has been dubbed by many as a two-price system and by the administration as a certificate plan. During the next few minutes I want to very briefly discuss this proposed program with you once again, because I know that all of you and all of the wheat farmers of the Nation are interested in it.

On May 21, our wheat producers will be deciding whether or not they want any part of the administration's supply-management for agriculture as this is all that is left of this New Frontier approach. Should it pass, we can expect it to be resurrected for other commodities. Since this bill was passed by the Congress by a scant five votes, it is not necessary to mention that there is a tremendous division of opinion in the Congress and in the country on this subject. The Department proposes to fix the price support of wheat at \$2 per bushel. This will be arrived at by giving cooperators a certificate worth 70 cents a bushel which must be transferred by the farmer with the wheat to the miller. Adding this 70 cents certificate to the \$1.30 feed wheat price, we arrive at a price of \$2 per bushel. This proposed program will apply to all classes of wheat notwithstand-

ing the fact that soft red winter wheat produced in Ohio is not in great abundance. In fact, the Department of Agriculture estimates that there will be only a 10-million-bushel carryover of this type wheat on June 30, 1963. This is less than a 1 month's supply and represents only a small fraction of the total carryover from other classes of wheat. In fact, the total carryover of all classes of wheat on June 30, 1963, will be 1,225 million bushels.

Should this new certificate plan be approved on May 21, the door would be closed for all practical purposes on all future wheat producers and on all those farmers who, for some reason or other, did not plant wheat during the base years of 1959, 1960, and 1961. Should this program be approved, the 15-acre exemption would be abolished. There have been approximately 152,000 wheat producers in Ohio operating under this 15-acre exemption. Should this proposal be adopted, we would repeal the 30-acre wheat for feed exemption which would preclude farmers from growing wheat outside the program for use on their own farms. It would require farmers to divert such acreage as prescribed by the Secretary of Agriculture after 1965 without payment. The farmer producing under the 15-acre exemption would be permitted to plant only the average of his 1959, 1960, and 1961 plantings. For instance, let us assume that a farmer planted 15 acres in 1959, did not plant any in 1960 and again planted his 15 acres in 1961. He would have an average for the 3 years of 10 acres. In order to participate in the program he would have to divert in 1964, 10 percent of his already reduced base. This would mean that legally he could only plant 9 acres. This same farmer—should he elect to stay out of the program—could plant his 10 acres but no more. Now let us take a look as to how this proposal might affect this small farmer's wheat income.

Assuming he planted his 15 acres in 1963 and received an average of \$2 per bushel for a 40-bushel-per-acre yield, he would have a total income of \$1,200. Should this plan be approved in 1964, his base average would be 10 acres. His remaining 9 acres producing 40 bushels to the acre would yield him 360 bushels. However, under the program, he would not be paid price support on the total yield from these 9 acres. He will get price support on only 80 percent of his production or 288 bushels. At \$2 per bushel, these 288 bushels will gross him \$576. On the remaining 20 percent of his production, or 72 bushels, he would get \$1.30 per bushel for a gross of \$93.60. Based on his past production he would receive approximately \$24 for the acre diverted. By adding these three figures, he would have a total gross wheat income of \$693.60 for 1964 as compared with \$1,200 in 1963.

Assuming that he stayed out of the program in 1964, he could plant his 10 acres. This would yield him 400 bushels to be sold at \$1.30 per bushel for a total gross wheat income of \$520.

This same farmer could choose to divert all of his 10-acre base and receive

a 50-percent diversion payment based on his normal yield. Again assuming his normal yield would be 40 bushels to the acre he could receive \$400 for diverting all of his base.

It is needless for me to say that in all of these illustrations this farmer could utilize his remaining acreage as he saw fit unless precluded by some other Government program from so doing. Many people are concerned about the length of time this proposed wheat certificate plan would be in effect. This certificate plan is permanent legislation subject to 1-, 2- or 3-year referendums and will be in effect until repealed by the Congress. As I have pointed out earlier, the land diversion portion of this proposal will only extend for 2 years, 1964 and 1965. Thereafter, land directed to be diverted by the Secretary of Agriculture in order to qualify for price supports must be done at the expense of the farmers.

I think it is important to point out at this time that the program to be voted on by the wheat producers on May 21 is a mandatory program. The 15-acre farmer, for example, will not be able to say I am not going to take my reduction from 15 acres to the average of 1959, 1960, and 1961. He must reduce. Many wheat producers are arguing that since the feed grain program is a voluntary program, that the Congress rejected a mandatory program for feed grains in 1960, and also rejected a mandatory program for dairy producers, that the wheat producers should not be subjected to a mandatory program. They are also arguing that should this program be defeated on May 21, that in all likelihood a voluntary program would be passed by the Congress. Yes, we have heard many statements to the effect that the Congress of the United States will not pass any other wheat legislation should this proposal be defeated. In my opinion, this is merely scare talk in an attempt to convince the farmers to vote "yes" in the referendum. Anyone saying that the Congress would not legislate to prevent a drop in wheat prices must be forgetting that the Congress of the United States is representative of the people and history has shown that whenever the people of this great country wanted legislation in a given field, they received it. For example, in 1962 many so-called leaders in the Congress stated they were passing a feed grain bill for 1 year and that in 1964 corn would be supported at approximately 80 cents per bushel. No one took these statements too seriously and the first order of business of our Agriculture Committee this session was to recommend the passage of feed grain legislation for 1964 to prevent the price of corn from going to 80 cents per bushel. So, if the Congress will act for feed grains, no one can convince me that it will so act for wheat.

We have also read statements to the effect that the price of wheat would automatically be \$1 per bushel if the referendum fails. This would be an impossibility under section 7, paragraph 1441(b) of the United States Code. Even though no new legislation was passed, this section provides 50 percent price supports for cooperators and with parity

being at \$2.49 a bushel the price support would be \$1.24½ plus carrying charges of approximately 5 cents per bushel. Since under existing law the Commodity Credit Corporation could not release surplus stocks at less than 105 percent of parity, we could add 6 cents a bushel to the price making a total price of \$1.35½. We should also take into consideration the fact that the world price of wheat is \$1.40 a bushel. I do not believe that anyone familiar with this wheat market could say that the price of American wheat would be less than the world price.

Now coming to the all-important question which is uppermost in the minds of all wheat producers and especially our 15-acre wheat producers: Am I eligible to vote? The answer to this question is "yes." Every wheat producer is entitled to vote in this year's referendum. However, a small producer with a wheat acreage allotment of less than 15 acres must file an election in writing with the county committee at least 7 days prior to the date of the referendum that he will be subject to the wheat marketing quota for his farm providing the wheat certificate plan is approved in the referendum. All small producers failing to make such an election at least 7 days prior to the referendum will be unable to vote and will be unable to participate in the program should it be approved. Since most of our 15-acre producers have long sought the right to vote in wheat referendums, it is expected that a large percentage of them will take advantage of the opportunity to vote in this year's referendum.

Contrary to some of the comments we have heard on this subject, a producer need not vote "yes" in the referendum even though he agrees to be subject to marketing quotas should the program be approved. In other words, a small producer can sign up and vote "no" on May 21. The vote will be taken by secret ballot and no one will know how he votes. Since this program is so important to every wheat-producing family in the Nation, be it a large or a small farm, I would urge all of them to take advantage of their election franchise on May 21.

Another question being asked is whether or not the landlord and his wife—if her name is on the deed—are entitled to vote as well as the tenant and sharecroppers. The answer is "yes." Anyone having a direct pecuniary interest in the crop is entitled to vote in this wheat referendum.

Mr. ASHBROOK. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Ninety-three Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 28]

| | | |
|--------------|-------------|----------------|
| Ashley, | Fulton, Pa. | Macdonald |
| Auchincloss | Gallagher | O'Konski |
| Ayres | Garmatz | O'Neill |
| Betts | Glenn | Pillion |
| Boland | Goodling | Powell |
| Broomfield | Harsha | Rich |
| Celler | Hays | Rivers, Alaska |
| Davis, Tenn. | Healey | Roosevelt |
| Dawson | Hébert | Ryan, N.Y. |
| Diggs | Herlong | Shelley |
| Fascell | Holifield | Staggers |
| Fisher | Jones, Ala | Walter |
| Fogarty | Lankford | Widnall |
| Forrester | Lennon | Wilson, Bob |

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WRIGHT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 4997, and finding itself without a quorum, he had directed the roll to be called, when 388 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. MATTHEWS].

(Mr. MATTHEWS asked and was given permission to revise and extend his remarks.)

Mr. MATTHEWS. Mr. Chairman, I am humbly grateful for the quorum call. I want to make it clear that I had nothing to do with the quorum call, Mr. Chairman, but I would be less than honest if I did not say how happy I am to have the privilege of being the first speaker after the quorum call.

Mr. Chairman, I want to thank our friends from the city for helping us pass the farm legislation, and I want particularly—and I mean this very sincerely, indeed—to plead with them again this afternoon to help these wonderful Congressmen who represent the farmers do what is best for the farmers, even though they do not want to do it themselves—some of them.

Now, Mr. Chairman, I want to emphasize that our friends on the opposition have not said they are opposed to this bill. It is just the timing of it. It is "let us do not pass it now; let us pass it a little bit later; let us time it a little bit differently."

Mr. Chairman, what I want to say especially to our friends in the city is that this program has saved money. I want to call the attention of my dear friend, the gentleman from Illinois [Mr. FINDLEY], to some statistics that he pointed out a few minutes ago. I may be in error, but I do not think I am. I know that the gentleman to whom I refer is an honorable gentleman and is giving the statistics to the best of his information. But, now, he was trying to point out that the feed grain program as we have had it the last couple of years did not save money. Then, of course, I would say to those Members who come from the cities if it does not save money we have no right to ask you to vote for it.

But, believe me, it has saved money according to the best statistics that we have available.

Mr. Chairman, the mistake that the gentleman from Illinois [Mr. FINDLEY] made was that he did not include the production that was avoided as a result of the feed grain program. Millions of bushels of production that were avoided and that would have been stored and that would have cost hundreds of millions of dollars if we had not had the feed grain program. Let us take the figures.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I will yield to the gentleman when I get through. I do not have much time. I shall be delighted to yield to the gentleman later, but let me give you the figures as I recall them. If the gentleman will stand there and let me see if this is what the gentleman said: In the year 1961 the gentleman said the payments for acreage diverted amounted to \$782 million for 25.2 million acres. Is that correct, sir, as well as you remember? Just yes or no, please, sir.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I think, sir, you said, "yes", but you did not tell about 834 million bushels that would have been produced if we had not had that program.

Now, sir, just one other statement—

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. Just 1 minute, and answer "Yes" or "No," please, sir, and then if I have time I will yield.

In 1962 did the gentleman not say that \$842 million were paid for diverting 28.6 million acres, but the gentleman did not tell us about the savings on an additional 1 billion bushels that would have been produced if we had not had the program?

Mr. FINDLEY. Mr. Chairman, will the gentleman yield at this time?

Mr. MATTHEWS. Is that right, sir?

Mr. FINDLEY. Will the gentleman yield? I have the right to respond to the gentleman. I mentioned the figures for 1961, 1962, and 1963. Can the gentleman inform me just where these bushels are which were not produced? Do they come entirely from the fancy of some prognosticator?

Mr. MATTHEWS. Will the gentleman please excuse me. I do not have much time. Let me say—

Mr. FINDLEY. Mr. Chairman, will the gentleman agree that that is so?

Mr. MATTHEWS. Let me say to my dear friend that these figures came about on the best basis of the best statistical information that honorable men in the Department of Agriculture could devise, and let me say to the gentleman that he knows much about agriculture. Ladies and gentlemen of the House, do not let this gentleman beguile you. He is one of the most learned men in agricul-

ture on our committee, and he knows that if we have not had that feed grain program we would have produced hundreds of millions of bushels more of feed grain.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield at this point?

Mr. MATTHEWS. Let me ask the gentleman this: Did he not say that in 1963—

Mr. FINDLEY. I did not understand what the gentleman said.

Mr. MATTHEWS. Excuse me, sir.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. Is that correct, sir? In 1963 did not my dear friend say that we paid \$983 million for diverting 25.8 million acres? But my dear friend did not point out that in this \$983 million there was included \$490 million for price supports? And naturally, in 1963 instead of \$983 million, only \$473 million went into this program?

Mr. FINDLEY. Mr. Chairman, will the gentleman yield to me at that point?

Mr. MATTHEWS. Let me say also, sir—

Mr. FINDLEY. Will the gentleman yield?

Mr. MATTHEWS. In just 1 moment.

Mr. FINDLEY. Will the gentleman yield?

Mr. MATTHEWS. I have not concluded my statistical report. Also in 1963 there would have been produced from 750 million to 800 million bushels more grain—

Mr. FINDLEY. Mr. Chairman—

Mr. MATTHEWS. If we had not had the program.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. What I am trying to do, Mr. Chairman, is just to put the facts on the line so our friends can see this program will save money. It has saved money.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. MATTHEWS. Would my dear friend, the gentleman from Texas, yield to me 1 additional minute?

Mr. POAGE. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. MATTHEWS. Mr. Chairman, it is my sincere belief, based on good statistics that in 1961 we saved \$591 million; in 1962, \$634 million. There is less and less of this grain going into storage. This year we are saving \$90 million, or a total of \$1,315 million for 3 years. So I want to say to my friends from the cities, you have helped us get a program that has saved the consumers money; it has been good for the farmer. I plead with you to help us get this same program again this year.

Mr. HOEVEN. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. FINDLEY].

(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)

Mr. DEROUNIAN. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield.

Mr. DEROUNIAN. The gentleman from Florida [Mr. MATTHEWS], has very eloquently told us how much money we have saved in this Congress through the farm program. If that is the case why is Secretary Dillon tomorrow going to ask us in the Ways and Means Committee for and increase in the public debt limit?

Mr. FINDLEY. Mr. Chairman, apparently the way for us to eliminate our public debt is to spend more and more money for farm programs. Under the gentleman from Florida's [Mr. MATTHEWS] economic progression, the more money we spend on farm programs the more we save. If we could know what would happen, if the rabbit had not stopped to scratch his left ear, we might be in a better position to know what to do today. But we cannot safely assume that production would have gone on at any certain level in future years. Even so, must we pass a bad bill just because a program out of the past might have been still worse.

The gentleman tried to show a difference between the payment-in-kind provision under the 1963 program and the diversion payments; but the payments-in-kind feature is added to diversion as an incentive to get participation. So logically and properly the payment-in-kind feature should be added to the diversion payments to determine the total payments to the farmers in order to get them to cutback areas. I mentioned this distinction in a speech earlier today.

Mr. Chairman, I would like to have the record show that repeatedly I sought the floor to respond to allegations made by the gentleman from Florida [Mr. MATTHEWS] in which he mentioned my name, disputing my figures; and I was not accorded that traditional courtesy.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield.

Mr. MICHEL. I think since the gentleman from Florida [Mr. MATTHEWS] has said that we all want to give as accurate figures as we possibly can. All of us would have to agree that when the Department comes before our Appropriations Committee they would give us as forthright and honest figures as they know how, and I shall have a few to give the House when I am recognized later in the debate.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. FINDLEY] has expired.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. BELCHER].

Mr. BELCHER. Mr. Chairman, perhaps some of you might be wondering why, when the gentleman from Texas [Mr. POAGE] and the gentleman from Florida [Mr. MATTHEWS] spoke I sat on a front seat. I was just a little bit afraid that I would not be able to hear them if I sat any further back.

Mr. Chairman, I am not going to attempt to create any more confusion than we already have here. I do not think I could contribute to it if I wanted to.

I have been a member of the Committee on Agriculture for 13½ years with

the gentleman from Texas and ever since the gentleman from Florida came to the House I have been a member of the committee with him. They are two of the most delightful men I have ever known and two of the finest friends that I have. I have never in my life seen anybody who was able to pick as many figures right out of the air as either one of them.

I will say this, that the gentleman from Texas is one of the most enthusiastic supporters of bills that he brings to the floor of any man I have ever seen; and he is one of the most extreme optimists, because in the 13 years we have been bringing bills to this floor there has never been a bill brought to us by the gentleman from Texas that would not do three things: First, it would reduce the surplus. Second, it would cost less money; and third, it would insure the farmer added income.

I have said many times to my good friend that Houdini would have liked in his time to have had a trick by which you can pay a farmer more money for raising less products and do it all with less taxpayer's money. That would be an extremely good trick. But the gentleman from Texas is just optimistic enough to believe that. Do not think for 1 minute he is trying to mislead, because he is just thinking as an optimist that those things will work.

I do not know anything about these figures that the gentleman from Illinois [Mr. FINDLEY] or the gentleman from Florida [Mr. MATTHEWS] quoted. I do not think you do, either. But I do not think they, either one, know where they got them.

I do know this, and I do not think this will be disputed, that we have more money invested in the Commodity Credit Corporation today than we have had since the farm program started. Secondly, we are spending more money on farm programs than we have spent since farm programs started. I do not know what would happen if the gentleman from Texas and the gentleman from Florida had not been able to get their bills over. They tell you how many billions of dollars it would cost more than what it is costing now. Maybe it would. The only thing I know is, I ask you if it has reduced the surplus, if it has cost less money, if it has increased the farmers' income.

Let us see about this. The farmers' income was increased \$1,100 million, according to the Department of Agriculture, but in doing that we spent \$1,200 million. The farmer did not get all of the taxpayers' money we paid out. I do not know where the other \$100 million went, but I do know we spent \$1,200 million in order to increase the farmers' income by \$1,100 million.

I heard the plea of the gentleman from Florida to you fine city Congressmen to help him pass a farm bill that will cost the taxpayers more money. I think you are fine people. I think you have been very generous in voting your taxpayers' money away to pay our farmers for products they did not raise, and even this bill provides for paying a

farmer for raising corn he never had raised and would not have raised if it had not been for this bill.

I know that you are up against a tough proposition. For 8 years when we had Secretary Benson I was up against a tough proposition. Many, many times my party and the Secretary of Agriculture urged me to support administration programs and, being a loyal Republican, just as you Democrats are loyal Democrats, and I appreciate the fact that you are and I glory in your loyalty, I was up against the proposition of either following the Secretary of Agriculture or following my own constituents back home. That is exactly what you gentlemen that represent nonfarm areas are up against.

If you are loyal enough Democrats to disregard the amount of money it is going to cost your taxpayers, and follow your Secretary of Agriculture and your administration, I want to say you are certainly loyal Democrats and I admire your loyalty. But I do know you are caught in a dilemma. I appreciate that fact because for 8 years I was in the same dilemma. You have the choice today: You can either follow your constituents or you can follow your administration and your Secretary of Agriculture.

When I get put in that sort of position I am kind of a funny sort of fellow. For some unknown reason I just had to string along with the people that sent me down here. I do not know whether you people feel compelled to do that or not. Maybe you do not. Maybe you feel that your loyalty to the Secretary of Agriculture is worth more to you than your loyalty to your constituents. Some of you are in such safe districts that it may not make any difference. I do not happen to be in that proposition. In my district there are three Democrats registered to every two Republicans. In some parts it is 3 to 1. So I cannot refuse to listen to some of those people back home. Some of you may be safe, but when Maine went Democratic in the same year Oklahoma went Republican, there may not be as many safe districts in this United States as many of us might think.

So some of you people in safe Democratic districts may not be any more safe than the Democratic nominee was in Oklahoma or the Republican nominee for Governor was in Maine. So you use your own judgment. I have never told a single person in this House how to vote during all the time I have been here. That is your privilege. It is up to your conscience. You consider the merits of this bill and you follow your constituents or the Secretary of Agriculture, whichever your conscience tells you to do. Certainly, it will be all right and I will be the last man in this House to criticize you.

The CHAIRMAN. The time of the gentleman has expired.

(Mr. NELSEN asked and was given permission to extend his remarks in the RECORD following the remarks of the gentleman from Illinois [Mr. FINDLEY] in his earlier presentation.)

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. DOLE].

(Mr. DOLE asked and was given permission to revise and extend his remarks.)

Mr. DOLE. Mr. Chairman, I might say, first of all, I was very pleased to hear the gentleman from Florida [Mr. MATTHEWS] talk about doing what was good for farmers even though they did not like it. I remember only about 10 days ago we had a peanut bill before our committee. It was the gentleman from Florida's [Mr. MATTHEWS] bill and it defined boiled peanuts as not being peanuts. This is the truth—it happened. It was to avoid the marketing quota penalties for some of his peanut producers. I am very pleased to hear he can best legislate for farmers in the Midwest and to know his regard for supply management ment programs.

Frankly, the wheat law was a matter of some discussion last September, October, and November in Kansas. In fact, former President Truman came to Kansas last October on a political trip, and made the statement the American farmer was the most ungrateful person in the world.

I called my chairman and asked what I should do. He answered, "Try to get him to stay 1 more day." Perhaps, this points out what some think of the American farmer. In Kansas, as all over the country now, there are organized pressure groups trying to sell the wheat program. Some of us do not believe we have the right to tell wheat farmers how to vote. Farmers have the intellect, and sharp enough pencils in western Kansas and can use them on May 21 to determine which way to vote.

There is a man in Kansas who in 1959, as shown in the CONGRESSIONAL RECORD, July 27, 1959, explained why he was voting "no" for the first time in his life in that year's referendum. Indicates he was a typical wheat farmer. His name is Lud Strnad and now, less than 4 years later, Mr. Strnad is telling the Kansas farmers they are facing bankruptcy if they do not vote "yes." It was difficult to understand why this gentleman 4 years ago was advocating a "no" vote but using nearly the same facts this year in advocating a "yes" vote. Of course, the fact he serves on Secretary Freeman's Advisory Council and is paid per diem and other expenses as he travels around the country might possibly influence his thinking. The illustration does point out that sometimes loyalty is good but at times, expediency is better.

This administration is asking you to foreclose, in advance, any further wheat program. Normally, a defendant is entitled to hear the verdict before the hanging, but the New Frontier is using Old Frontier justice in this program. The wheat farmers are being told before the vote is counted, You are not going to have any other program. You either vote "yes" or down the drain you go.

I agree with the majority leader, Mr. ALBERT, anyone who made a statement that he could get a wheat bill through Congress, if the referendum fails would be making an irresponsible one. A Member of the Congress however has a right to advise farmers, whether the farmers are for or against the referen-

dum, he will do all possible to enact new wheat legislation if the referendum fails. We have not lost these powers yet to Mr. Freeman, or to Mr. Kennedy, or to anyone in this administration. As long as I am privileged to represent 550,000 people, whose income is primarily attributable to agriculture, I have a very serious obligation to protect their best interests. The wheat referendum is not a partisan matter. No one can choose up sides and say, the Republican farmers are against it and the Democrat farmers are for it, or vice versa.

The rush to enact feed grain legislation is purely and simply referendum politics. Secretary Freeman knows this as do thousands of others in and out of the U.S. Department of Agriculture. For the first time in the history of agricultural referendums the Nation is witnessing unchecked and unrestrained power politics, paid for with funds from the U.S. Treasury. It is strange to witness an election contest where the prime mover, Secretary Freeman, also establishes all the rules and regulations of the election and presides over it. Without question the wheat producer is getting special treatment from Secretary Freeman, who will long be remembered for his attempt to dominate and control the American farmer without regard to either the cost of program or the propaganda used to foist it upon the American farmer.

I can understand Agriculture Secretary Freeman's desire to get farm programs of his origination enacted by Congress. But it seems he is overstepping the bounds of propriety and good conduct in office when he resorts to misrepresentations and threats to swing others to his way of thinking. In the past, it always has been the job of the Department of Agriculture to assist and inform the farmers but to let them make their decisions. Today the idea seems to be to tell the farmers what they can and must do, and to threaten them with all sort of dire consequences if they do not do it.

The feed grain bill before us today is premature and everyone knows it. The referendum next month should have been nonpartisan, neither Democratic nor Republican, for the future economic condition of the American farmer is a matter of grave interest but despite the pressures, farmers should realize they have friends in Congress. There are those in Congress who are not going to hang a farmer economically on May 22 just for the way he voted on the 21st.

We have many pilot projects in this administration and many pilots. An example is the USDA sending out letters through ASC offices to every farmer and many businessmen in Kansas. Businessmen are receiving letters, postage paid, with 25 questions and answers on why they should encourage farmers to vote "yes" in the referendum. The administration is pulling all stops in what could be described as the greatest propaganda program in agricultural history and as evidenced in an article in today's Wall Street Journal administrative agents are blanketing the country with letters, radio tapes and TV films. The

issue is not what is good for the American wheat producer anymore, but to just what extent Freeman must go to retain his shaky hold upon the American farmer. It is encouraging to know that M. W. Thatcher, chairman of the National Wheat Committee and general manager of the Farmers Union Grain Terminal Association, has pledged himself to fight for new wheat legislation if the certificate plan is defeated. His attitude is a responsible one, but unfortunately one not shared by the President, Secretary Freeman, and apparently other leaders in this administration.

Perhaps I know little about agriculture having been here only as long as Freeman has been Secretary of Agriculture, but let me implore you we do have a serious obligation and responsibility to the American farmer to do something if the referendum fails. Freeman says failure will mean \$1 wheat instead of \$2 wheat. This simply is not true, and he knows it. The American farmer should be entitled to vote in any referendum freely and without fear of executive or legislative reprisal. He should be guaranteed his right to free expression in the basic American concept.

Section 328 has been referred to. It permits the farmer to plant wheat on feed grain acreage and is another "sweetener" to lure the farmer into voting a "yes" in the referendum. The wheat farmers of America will express themselves on May 21 and it seems ridiculous when we visualize the amount of material the Secretary is sending out, in one way or another, propagandizing the farmer and the amount of money being spent.

Wheat is a very basic commodity and we do have an obligation to the wheat farmers before and after May 22. It is safe to prophesy that if the referendum fails on May 21 that on May 22 there will be a stampede in the well of this House of Members dropping in bills. I trust this will be of some assurance to the wheat farmer that he does have supporters in Congress and that regardless of how he votes he is not going to be hit over the head.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, alluding to my earlier remarks I repeat a statement I quoted that the Secretary made on October 14, 1960:

I have stated that it is my best judgment that our agricultural program will cost a billion and a half, possibly 2 billion less than the present program.

When he made that statement the expenditures by the Department of Agriculture in the current fiscal year were \$5.4 billion. In 1961 it was \$5.9 billion. In 1962 it was \$6.7 billion; and with the end of the fiscal year on June 30 this year the total cost will be \$7.4 billion, or an increase of \$2 billion in costs for the Department of Agriculture at a time when we have a decline in the number of farms of 369,000 and better than a million people off of the farms than there were at the time he made that statement. I do not think this one can

stand. The truth of the matter is that as a matter of fact it has cost \$2 billion more in 2½ years.

Mr. POAGE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, there are several matters that should be cleared up here. I find myself in the position of my colleague from Texas who pointed out that he had made a statement about the wheat referendum, then found that he had been quoted as having made an entirely different statement.

A few days ago I appeared before a group which asked whether there would be further legislation if the wheat referendum were defeated. I made the statement that as far as I was concerned, I would continue to try to secure legislation no matter how many times legislation was defeated, but that I had no expectation that this House or this Congress would pass any kind of farm legislation if the wheat referendum were defeated, because I could see no reason why a Representative who comes from a nonfarm district should feel any compulsion to try to bail out farmers after they had passed adversely on a referendum themselves.

I further pointed out that the only experience of that kind in our farm programs in the United States occurred in the case of the tobacco program in 1938 or 1939, at which time the same prophecies were held out to the tobacco growers, that if they would reject the program they would get something better. They got exactly nothing. And it was one year before they had any program. Since that time they have voted for the program every year, and they have done very well. We can only judge the future by the past. None of us can tell what will happen, but we do know that the experience of mankind does not give us any ground to believe there will be further legislation.

So much for the wheat program. I know that it is not the subject matter before the House at this time. There has been more discussion of the wheat program than there has been of this bill today.

Mr. Chairman, the bill under consideration is intended to give us a feed grain program. It is intended to give some stability to the feed grain market; it is intended to provide a program which will eliminate the overproduction of wheat and feed grains, from which we have been suffering for so many years. You in town have been suffering from it just as well as the boys on the farm have been suffering from it.

For 5 or 6 years prior to 1961 there was a surplus of more than 300 million bushels of corn every year. It went into the warehouses, and the U.S. Government paid the storage on it and has been paying the storage down to the present time. There are those who have been pointing out they could juggle some figures and come up with smart answers, and doubtless they can.

But they cannot escape the fact that at the high point of inventories in 1961 there were 5,451 million bushels of grain in Government hands, and the U.S. Government was paying the storage on it.

Last year that storage ran at the rate of 27 cents per bushel for corn, 21 cents for sorghums, and 26 cents for wheat.

There has been a reduction in the Government grain in storage. How did it come about? I am not going to contend that I know all of the factors which brought it about, but I know it came about. It came about while we had these programs in effect, and it seems to me it is reasonable to assume the law brought it about. The vital and undeniable fact remains that there has been a reduction of 1,267 million bushels of grain, and that this is a reduction of storage carrying charges of \$920,000 every 24 hours that the clock ticks—a saving of approximately \$1 million a day.

Now, that is a worthwhile saving. It is a real saving, and there is not any way that you can wish it off. We are making that saving. We may be spending money somewhere else, but we are not spending money to carry that 1.2 billion bushels of grain that we did not produce, because it is not there now. Now, I think it is perfectly clear that the program has given us a very substantial saving.

Now, there may be expenditure somewhere else, but it is not on this grain which is not in the warehouse. I would call your attention to the fact that as we reduce the grain, that reduces the cost, not simply 1 year, but every year, because storage is a recurring cost.

Now, what is going to happen if we do not pass this bill? I think that is what you have got to consider, Members of the House. What is going to happen if we do not pass this bill? Well, we will go back to the existing, basic law. Let me read it to you:

Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop, price supports shall be made available for producers of each crop of corn at such level at not less than 50 percent or more than 90 percent of parity.

In other words, we go to unlimited production of feed grains, and the Secretary has to support every bushel that is produced in the United States at at least 50 percent of parity.

Now, let us admit that he would not have to pay quite so much on each bushel when he took it into the warehouse as he is doing now, but he has to put it into the warehouse and he has to pay 27 cents a bushel to keep it there, with no prospect of getting rid of it, because there would be no limitation on production. Without this bill we will pile up grain at least as fast as we were doing before 1961. You are not going to reduce the rate of production; you are going to be adding \$920,000 a day cost by the time you are up to what we had in 1961, and you are very soon going to be above that.

If you are interested in stopping those expenses, I urge you that we pass this bill and pass it today, not some time next month.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

May I inquire as to the time?

The CHAIRMAN. The gentleman from Iowa has 1 minute remaining.

Mr. HOEVEN. How much time has the gentleman from Texas remaining?

The CHAIRMAN. The gentleman from Texas has 43 minutes remaining.

Mr. HOEVEN. Will the gentleman from Texas yield to me?

Mr. POAGE. I ran 2 minutes over the time we intended to run. We promised the House we would try to keep this debate down and made an honest effort to do so, and I am going to turn back 43 minutes to this House.

Mr. HOEVEN. Mr. Chairman, I ask for recognition.

Mr. Chairman, the gentleman from Texas made reference to the fact or made the argument that this feed grain bill must be passed today. I was going to ask him when he refused to yield, whether or not if the feed grain bill was not passed today, it would still be possible for the House to pass a feed grain bill any time this year before Congress adjourned and still be in ample time to take care of the crop year 1964-65.

Mr. POAGE. I think the gentleman from Iowa knows as well as I do that there is not a chance in the world of passing a feed grain bill unless we pass it now.

Mr. HOEVEN. May I say to the gentleman that I predict right here and now that if the wheat referendum fails on May 21, the members of the majority party, especially the members of the Committee on Agriculture, will be falling all over themselves to pass both feed grain legislation and wheat legislation. It would be politically unwise for them not to do so.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. BROYHILL of North Carolina. Mr. Chairman, though I do not favor all the specific provisions contained in H.R. 4997, I do not believe these provisions to be nearly so dangerous to the American farmer as the unseemly haste to pass this bill before the wheat referendum next month. Farmers are being told on the one hand that their votes in the referendum will be welcomed as a guide to Federal policy, but, on the other hand, these same farmers are being cynically warned that if they vote "no" in the referendum, Congress will take no further action on farm legislation this year. The latter, of course, is not true, unless it is the calculated policy of this administration and its leadership in Congress to cause even greater confusion on the farm front. The enactment of feed grain legislation now will certainly lend credibility to the take-it-or-leave-it threat the Agriculture Department is handing down.

Indeed, there is no particular reason to presently consider H.R. 5449, since the bill applies to 1964 crops. The 1963 crop is just being planted and existing law covers it. Action now proves even more unjustified when we recognize that Congress cannot with certainty provide for next year's wheat crop until the outcome of the referendum is known. If the vote is "no" in the referendum, feed grains should then be considered along with further measure on wheat. Action in midsummer would still give farmers ample time to plan next year's crop. If

H.R. 5449 is passed now, there appears to be no alternative but to believe that proponents of federally controlled agriculture have won a victory in their continued effort to influence the vote in the wheat referendum and to present the American farmer with an accomplished fact.

The timing of this bill makes it a difficult one to judge it on its merits. I do believe, however, that we must ask whether the results achieved by this program have justified its cost. Payments for feed grains totaled \$1.7 billion for 1961-62 and are estimated at \$0.98 billion for 1963 alone. Feed grain production, however, was higher in 1962 than in 1961. Supporters of the bill have pointed to the reduction of Government stocks as one of the program's achievements, but this has been caused by increased utilization and not at all by the feed grain program. The program applies only to production and not in any way to use.

The 1964 bill is basically an extension of the 1963 bill, except for the new proposal to give the Secretary of Agriculture discretion to set the direct payment and the loan at whatever combination he wishes, so long as the support remains between 65 to 90 percent of parity. While this change is not alarming on its surface, it becomes so with the recognition that the direct payment level for nonproduction could be increased to such an extent as to cause the farmer to depend more upon the U.S. Treasury than the marketplace for his income. Such a dependency should be undertaken by the farmer only with full appreciation for the Secretary's oft-stated goal of a mandatory program for feed grains.

In summary, Mr. Chairman, H.R. 4997 is premature and unnecessary on its merits. We must judge its merits on the basis on what it seeks to do. There are plenty of warnings available that the Secretary of Agriculture seeks huge powers over American agriculture. Congress has resisted these recommendations up to now. However, despite the "voluntary" character of this legislation, it sets up circumstances whereby huge monetary controls would seem to be the only alternative in the event the program fails. We need to look only at the facts of its operation in the past to see that the admission of failure is virtually all that is required now. It would be an easy switch back to the hard line this administration has already taken in its approach to agriculture. It is not seeking to relax, by a gradual process, the heavy hand of Government from the farmer. It is pushing on toward greater controls and dictation.

Mr. BOW. Mr. Chairman, I think it is the general wish of most Members of this House that we reduce nonessential expenditures. We are wrestling with a budget request for new obligational authority of some \$108 billion. There are many items in this budget that are difficult to reduce. We have one today that should be easy if we are really sincere in our expressions.

The request by the USDA for authority to spend money in fiscal 1964 ex-

ceeds \$8 billion. Included in this request are plans for the kind of legislation that is under consideration today; namely, the Feed Grain Act of 1963. It is hard to determine specifically how much is involved in this program embodied in H.R. 4997, but I believe my colleagues on the Appropriations Committee will agree that it is in the neighborhood of \$1 billion.

I call to the attention of my colleagues table 4 on page 31 of House Report 180 which contains the majority and minority views with regard to this bill. I call attention to the fact that the State of Ohio, which is a great feed producing State, received in 1961 more than \$42½ million not to grow feed grain. You know the results. We only slightly decreased the production of feed grain.

The cost of this program when you include administrative cost during the last 2 years amounts to more than \$1.7 billion.

We are being asked to extend for 2 years this "money distributing" program.

Farmers are now involved in a decision with regard to the wheat certificate plan. I think this House will be very unwise in passing this legislation at this time. I think it is bad legislation anytime of the year, but particularly bad before we know the results of the wheat referendum—yes, before we know how much wheat will be dumped onto the feed grain market.

I challenge my colleagues on both sides of the aisle to exercise their privilege today and save \$1 billion. I urge that you vote to recommit this bill to the House Agriculture Committee, and let us take a new look at this whole program.

Mr. LANGEN. Mr. Chairman, I would like to commend the supporters of this legislation for their concern of American agriculture in general and our farm population in particular. I share your purpose in raising farm income by assuring fairer prices for feed grain producers and by providing a basis of stability for livestock prices. I agree that surplus stocks of feed grains should be reduced and that taxpayer dollars should be saved in our vast storage program. I heartily concur that we should give wheat and feed grains producers new freedom and flexibility in the management and operation of his own farm.

I also agree that failure to act positively upon a sound stabilization program for feed grains, to operate along with a related and effective program for wheat, would present grim alternatives. Indeed, I made a point of mentioning some of these alternatives last year when we passed the Agriculture Act of 1962, such as the possibility of 80-cent corn and demoralized livestock markets.

There are some provisions of this bill which I find distasteful, of course, such as the unwarranted power placed in the Secretary of Agriculture in regulating markets and controlling payments. But generally speaking, I am firmly in favor of feed grains legislation such as this that calls for voluntary participation and would like very much to throw my unqualified support toward the passage of such legislation today. But I find this

most difficult at this time. Gentlemen, we are putting the cart in front of the horse. We are premature. We are considering legislation that should be considered a month from now, but not today.

There is no urgency that forces us to act at this moment. This legislation applies to the 1964 and 1965 crops. Legislation applicable to the current crop is now in effect. I supported that legislation last year. I have always supported feed grains programs and will continue to do so. Plans for the 1963 crop are secure; and enactment of a 1964 feed grain program anytime within the next few months would still give all feed grain farmers ample opportunity to make their plans for next year.

Then, why this urgency today? I suspect there are added motives that go beyond the grand statements about wanting to help our farmers, and I suspect it is all tied into the upcoming wheat referendum. In fact, I believe the measure we have before us today is being considered at this time for just one reason, to sell our wheat farmers on a "yes" vote on May 21. And frankly, it is not the role of Congress to influence a free choice by enacting premature legislation.

The administration has already threatened the wheat farmers by saying there will be no further legislative action on wheat during this session of Congress if wheat farmers vote "wrong" in the referendum. And if we pass feed grain legislation today, we will virtually close the door to any later effort to enact remedial legislation if the referendum fails.

This bill today also represents a political carrot dangling before our wheat farmers in the hope of leading them to the polls to vote "yes" out of fear.

It seems strange that an administration which came to power on a plank of "parity income" would apply such heavyhanded tactics to the wheat farmer, especially at a time when the parity ratio hit its lowest level since 1959 and farm costs are at an alltime high.

We need feed grain legislation, of course. But we do not need it today. In fact, we should at least wait until after May 21 when all will know whether wheat farmers want the certificate plan. Then and only then can we possibly face this legislation intelligently from the standpoint of how the situation really is. What we are doing today is trying to approach the problem from the standpoint of how certain people would like it to be.

Mr. WHARTON. Mr. Chairman, in considering this bill, I am utterly amazed at the amount of power which would be vested in the Secretary of Agriculture, if enacted. On nearly every page, and no less than 20 times in all, there is an expression of discretionary power and really no doubt but that autocratic powers are definitely intended in the administration of the feed grain program. This fact, coupled with the mail I have received from my constituents, makes it very easy for me to stand opposed to the measure.

By way of analogy, and in the same general area, I would remind my colleagues of the Congress' action some 30 years ago which gave similar powers to the Secretary of Agriculture in the fluid milk field. Presently, no less than 72 marketing administrators are trying to cope with the problem, and the Department now seeks to end this debacle by going one step closer toward complete socialization of the dairy industry by suggesting a quota system. It is surprising that our agriculture experts have resisted this move as long as they have. Some 4,000 dairy farms have been discontinued in New York alone during the last year, thus adding at least 10,000 workers to New York unemployment rolls. The oppressive burden with which the taxpayer is saddled continues to mount, and it would seem to me that our metropolitan friends who are so eager to lend their support to these bills would resist further approval of bureaucratic management.

Mr. ALGER. Mr. Chairman, the farm laws and regulations controlling our farmers are a national disgrace. I want to commend the Republican members of the Agriculture Committee for their minority report, also the additional minority views. These views brand this legislation, H.R. 4997, the unnecessary and unfortunate legislation that it is. This bill is more of the socialistic schemes of the Kennedy administration. Private enterprise is being completely eliminated. Control, regulation, regimentation, and dictation are part and parcel of this farm program.

Beyond the immorality of this type legislation, its unconstitutionality, its full blown socialism, is the cost factor. This misuse of the taxpayers' money is a national disgrace.

Soon now the people will rebel on this dictatorial and regulatory legislation. It is my hope that the people will plainly speak out and demand the removal of Government regulations, control, and price support.

The farmer should be free to grow what he chooses. The taxpayers should be relieved of the double cost, in taxes and food prices in the grocery stores.

Most of it, time is running out on capitalism, as socialism-communism engulfs the world. We must disapprove this legislation and all socialistic schemes. It is never too late to start on the long hard road back to fiscal sanity and freedom for our people.

Mr. DENT. Mr. Chairman, it has been said that these proposals "are similar in nature to regulations that have been in effect for many years for such crops as tobacco." The inference is that anyone who supports the tobacco program should favor the proposals contained in H.R. 4997 for feed grains.

Most members support the existing tobacco program, but there are many circumstances which differentiate tobacco from feed grains. Tobacco is heavily taxed. It is not a food or a raw material used in the production of other farm products. It is less perishable than most farm commodities and, in fact, must be aged before it is used. It is not yet threatened with serious competition

from substitutes and synthetics. The market is dominated by a few large domestic companies and foreign monopolies. The acreage involved is small. Only 1.1 million acres compared to 144.5 million acres in feed grains, 54.9 million acres in wheat, and another 31.2 million acres to soybeans, rye and flaxseed for a total of at least 230 million acres.

The problems involved in attempting to control production on 230 million acres of grain spread all over the United States are vastly different from the problem of controlling production on 1.1 million acres of tobacco located in a few relatively small areas.

Cotton, rice and peanuts all have statutory minimum allotments.

No existing commodity program includes the controls on diverted acres now being proposed for feed grains and wheat.

Serious problems arise under both the cotton and rice programs. They are heavily dependent on expensive export subsidies as is the case with wheat. In the case of cotton the export subsidy has created a serious competitive problem for our best customer—the domestic textile industry. Cotton is also faced with increasingly serious competition from synthetics and foreign growths.

Essential features of the proposed feed grain program are as follows:

First. Acreage allotments and marketing quotas would be established for corn, grain sorghums, oats, and barley as a group. Rye could be included in the program at the discretion of the Secretary of Agriculture.

Second. The national allotment could be reduced at the discretion of the Secretary to permit a reduction in CCC stocks.

Third. Discretionary authority would be provided for the establishment of a commercial area for feed grains.

I shall give you a few facts I have learned as chairman of the committee studying the impact of imports and exports on American jobs.

You can hear any kind of figures you care to in this fight for a more liberal trade policy.

I will not try to give you the many facets of this problem in one short evening. However, I will touch lightly on the farm facts. These figures are backed up by the testimony and reports of Government agencies. They may shock a few of you and in some cases may give you occasion to pause and perhaps reconsider your previous notions.

I want you to know that up until a few years ago I was a militant free trader. I guess I still am. The difference is that now I want free trade to be equitable and fair. I propose to vote for free trade just as fast and just as free as this Nation can afford it. Up until we can afford free trade, I intend to give all my support to protecting my people's welfare, their jobs, their industries, their farms, their incomes, and their markets.

The views I express are in the main interests of farmers, farm groups, producers of agricultural products, canning, freezing, and so forth.

We all know that Public Law 480 was made necessary by price support policies which priced American farm products

out of world markets and led to the accumulation of surpluses. We always have regarded it as a temporary measure designed to maintain and expand foreign markets until needed changes could be made in domestic price support policies.

The pending legislation would expand the President's authority to donate surplus commodities to foreign countries for famine relief and other assistance by including commodities not owned by the Commodity Credit Corporation. This would permit a dramatic expansion of giveaway operations. It would do little or nothing to build foreign markets, but it could greatly increase the cost of Public Law 480.

The wisdom of authorizing the purchase of privately owned commodities for foreign donations is essentially a question of foreign policy. Certainly, the cost of such a program should not be charged to farmers.

It is proposed to authorize the use of "surplus agricultural commodities produced in the United States in programs of economic development, emergency assistance, and special feeding carried out through the United Nations system or other intergovernmental organizations."

It is, of course, desirable to seek constructive uses for surplus commodities. It is also desirable for the United States to consider the views of exporting countries, and to seek to avoid giving such countries a justifiable cause for resenting our surplus disposal programs. We do not, however, believe it would be wise for this country to turn over the distribution of large quantities of agricultural surpluses to international organizations where we can be outvoted on the terms and conditions under which such surpluses are to be distributed.

During the past 10 years, farm support programs have cost the American taxpayer \$26 billion. During the same period, we imported agricultural products valued at \$42 billion. While this was going on, we piled up in Government storage 1.1 billion bushels of wheat, 1.4 million bushels of corn, 2.6 million pounds of tobacco, and about 336 million pounds of butter, cheese, and dried milk.

The bulk of the feed grains, other than we have in Government storage today, has been imported. Our disappearance of feed grains over the past 10 years has been greater than our production, yet, we as taxpayers are paying some \$20 million a year to store what is termed "surplus" feed grain. It is surplus, to be sure, but not a surplus created by the overproduction of the American farmer. It is created by imports.

The foreign trade balance is right now up for Tariff Commission action. It is estimated by the textile industry that unless a more realistic view is taken, the entire industry may be jeopardized. I have yet to find any witnesses who are opposed to world trade; however, in all instances, I have found a universal demand for equitable world trade.

There are no farm problems, except those created by the trade policies of this Nation through unfair, unequal, and unjust import competition.

This sounds fantastic, but if the American farmer were permitted to raise and market a major part of the food and fiber that is consumed by the American people, we would not have acres enough today to produce it. The problem is that agricultural imports have created an agricultural surplus.

Furthermore, agriculture has been so commingled with foreign aid, foreign trade, foreign relations, Government programs and State Department planners, that a bad image of the farmer has been created. Free enterprise and agriculture markets have virtually been destroyed. We cannot go backwards, but we can look behind once in awhile to see where we have been. At least this might help us to determine where we want to go.

The CONGRESSIONAL RECORD, dated April 18, 1961, states as follows:

From 1949 to 1959, we imported twice as much barley as our surplus grew during that period. In fact, we imported more during that period than we had on hand as surplus at the end of 1959. In oats, we imported four times as much from 1949 to 1959 as our surplus grew during the same period—imports approximately equaled the surplus on hand at the end of 1959. The situation in rye is even more vivid. From 1949 to 1959, we produced 46.5 million less bushels than the amount of the total of this crop. Yet, during this same period, our surplus increased by 4.5 million bushels, due to the fact that we imported 52.7 million bushels.

Mr. Chairman, perhaps there are some farmers in the United States who feel that the trade policy is not injurious, but the record shows that not only are non-subsidized farm products in danger, but that all agriculture is suffering from these unsound trade policies.

The figures on beef imports and their relationship to worked and idled acres tell a story that could come out of Hans Christian Andersen's fairy tales:

DISPLACEMENT OF DOMESTIC ACREAGES RESULTING FROM BEEF IMPORTS IN 1961

For 1961 live imports, 910,000 (USDA estimates). Domestic acres displaced, 18,200,000. For 1961 frozen and processed beef imported 527.5 million pounds. Carcass equivalent (USDA estimates), 1,376,775 head. Domestic acres displaced, 27,535,500. Total domestic acres displaced by beef imports in 1961, 45,735,500.

For 1961 live beef exports, 24,012 head. Acres required to produce, 480,240. For 1961 processed meat exported, 29.9 million pounds. Carcass equivalent (USDA estimates), 72,657 head. Acres required to produce 1,453,140. Total acres required to produce beef exported in 1961, 2,932,380.

| | |
|---------------------------------------|------------|
| Total acres displaced by beef imports | 45,735,500 |
| Total acres producing beef exports | 2,932,380 |

| | |
|---|------------|
| Net loss of acreage displacement through beef imports | 42,803,120 |
|---|------------|

As a step toward solution of the farm problems, we are asked by the Government to purchase 50 million acres of productive land, retiring it from production.

Permitting the American farmer to produce just the beef imported last year would have consumed the production of 42.8 million acres—nearly as many acres as we propose to buy.

Which procedure would, in your opinion, be most beneficial to the American economy?

Seriously, Mr. Chairman, the time comes sooner or later when we must stop, look, and listen.

In closing, let me make it very clear, I believe this Nation has met its obligations over the years to both our friends and our one-time enemies. In doing so, all of us as Americans have contributed our share.

I am sure we will be glad to contribute more as it is required for the defense and economic needs of our allies as well as ourselves. However, let us not lose sight of our own economic structure.

I assure you it is not sufficient reason to tell a fellow citizen, a neighbor that your interest in the welfare of other peoples, other States, or other countries compels you to take his job away.

I will not vote now or at any other time, nor have I ever cast a vote to take one man's bread away so another could eat cake.

We have got to fight together if we want a healthy economy on the farm, in the city, in our Government and above all, in our homes.

The U.S. Chamber of Commerce has issued these figures: For every 100 new factory workers; in a community 296 people will be added; 4 new retail establishments will be opened; \$360,000 in additional retail sales will be realized; 107 additional automobiles will be in use; 174 more workers will be employed; personal income will be upped \$590,000; and bank deposits will show a net of \$290,000. We can assume then that the loss of 100 jobs will have the opposite effect.

Mr. Chairman, on May 21 the U.S. Department of Agriculture will conduct a most important referendum among the Nation's wheat farmers. This referendum provides wheat producers with responsibility for making one of the most important decisions ever made by a group of agricultural producers with respect to the future direction of American agriculture.

While one does not think of Pennsylvania as being an important wheat producing State, this referendum has serious implications, not only to wheat people, but to all the farmers in my State and in other areas. The real issue in this referendum is not the phony one of "\$2 versus \$1" wheat, but rather whether Government-supply management is going to be the future way of life for the American farmer.

Only wheat is directly involved in this particular referendum and only wheat producers can vote, but all farmers, consumers, and taxpayers will be affected by the outcome.

Wheat producers have been voting for Government programs in a more or less routine fashion for several years. Past programs have carried "controls" of a sort, but there were numerous exceptions and limitations. So, wheat producers have not really had to face up to the full implications of going down the supply-management road to a licensed and regulated agriculture. But the situation is different this year.

The multiple-price certificate plan being submitted to producers this year includes the tightest, most binding Government controls ever seriously considered for any farm commodity. In addition to providing much stricter acreage allotments than growers have experienced over recent years and a new type of marketing quota, the administration's plan provides for diverted-acre controls and cross compliance. It also would give the Secretary of Agriculture vast powers to regulate all handlers, processors and distributors of wheat from the farm to the ultimate consumer.

How Pennsylvania farmers vote may decide the referendum in the United States. All wheat farmers with an allotment of 15 acres or more are automatically eligible to vote. In the past there has been an exemption of 15 acres for those who wanted to plant that much and not receive price supports. In addition, a farmer could grow 30 acres providing he used it all for feed on his own farm. Under the 1962 act these exemptions have been eliminated. As a result, for the first time the farmers with less than 15 acres can vote if they agree to participate in the program. In 1961 there were 79,000 Pennsylvania farms with wheat allotments of less than 15 acres. This large potential number of voters could well be the deciding factor in the referendum.

One of my reasons for discussing this question is due to the fact that the 15-acre wheat farmers will have the opportunity to vote for the first time. Under the proposed provisions of the referendum any of these small wheat farmers who want to vote in the referendum must indicate their desire to do so 7 days prior to the referendum date. They must register at the county ASC office before May 14. This means if one of the 15-acre wheat farmers wants to vote "no" in the referendum and therefore preserve his right to grow whatever amount of wheat he chooses, it will be necessary for him to sign up to participate.

I recognize among some wheat farmers the requirement that they sign up to participate in order to vote may cause some of them to be reluctant to vote. However, I hope that all these small wheat growers will sign up to participate and vote in the referendum since every vote will be important.

In recent weeks letters and conversations with farmers from Pennsylvania indicate that the Secretary of Agriculture, who is responsible for conducting the referendum, has thrown the full resources of his Department into a large campaign for a "yes" vote. The Secretary claims that the referendum offers producers a choice between \$1 and \$2 per bushel for their wheat; that defeat of his control scheme would lead to trade wars and chaos in the international market. These claims are serious exaggerations designed to panic wheat producers rather than an objective analysis of the situation.

Defeat of the wheat certificate plan would not terminate all Government wheat programs. Furthermore, the Congress would still have both the power

and the responsibility to deal with any problems that might arise. The Secretary's claim that Congress would not act is nothing more than a scare tactic. There is no reason to believe that the Congress would abdicate its responsibility. Defeat of the Secretary's control scheme would open the way for the enactment of a sound and constructive solution to the surplus wheat problem.

I have also been very much concerned about the role of the agricultural stabilization committeemen in this referendum. The ASC committeemen, according to the law, have the responsibility to assist in carrying out the administration of any agricultural laws that might be enacted. Their role is essentially one of administering and seeing that the agricultural laws passed by the Congress are carried out and properly understood by farmers. Theirs is not the role of a propaganda or a sales agency. I have been very much distressed by reports that indicate that the ASC committeemen have become propaganda agents for the Secretary of Agriculture in the forthcoming wheat referendum.

I urge that the ASC committeemen return to their historic role as the people who must administer the various farm programs rather than that of being active propaganda salesmen for Secretary Freeman. Unless this is done, they will have lost the confidence of farmers and the general public as to what their real responsibility is in agriculture.

One of my reasons for discussing this wheat referendum is that most of the agricultural producers in my district whether they grow wheat or other commodities have felt rather strongly for some time that the Government should reduce its role in agriculture. The wheat referendum to be held in May provides not only the farmers in my district, but farmers all over the country who produce wheat the opportunity to express their point of view on this important question. I am hopeful that the referendum will be defeated so that we avoid the spreading of supply-management to other agricultural commodities such as dairy, poultry and livestock.

Mr. PHILBIN. Mr. Chairman, the pending bill is not perfect by any means but it appears to be constructively moving in the direction of successfully tackling the vexatious question of huge agricultural food and feed surpluses, which have plagued us for some time past.

It would appear that under the present program, we have made considerable headway in cutting down the amount of surplus grain now in storage and in reducing the cost to the Government some \$920,000 each day in the last year.

In addition, the program contributed a 10-percent increase in net farm income between 1960 and 1962.

It reduced feed grain stocks from a record 3.2 billion bushels in 1961, prior to the time the new feed grain program became effective, to an estimated 1.9 billion bushels at the close of the current marketing year.

It also maintained stable food prices for consumers. This would seem to be striking progress as compared to our

sorry experiences with some previous programs of this kind.

It is stated that if the pending feed grain bill were passed, it would mean the elimination of the unneeded, unwanted feed grain surpluses by the end of 1963.

Once the carryover has been reduced to a level adequate for emergency and security reserves, a supply-demand balance could be maintained, it is officially asserted, with less acreage diversion and less cost in the years ahead.

Furthermore, if the House takes favorable action on this legislation, it is stated that farmers participating in wheat and feed grain price support programs will have greater flexibility in utilization of their land.

If the wheat referendum is approved May 21, and there is also a feed grains program, producers will be able to interchange these crops. It is desirable for farmers to know before voting in the referendum what the wheat-feed grain relationship will be.

These are some of the considerations regarding this legislation which impress me strongly as offering some real hope for the solution of major farm problems.

I am concerned, of course, about the cost of grain and feed to our own farmers and food grains to our people, and I am interested in keeping these prices down as much as possible, and in sponsoring a program that will effectually reduce the huge surpluses that are hanging like a dark, ominous cloud over our agricultural economy, and costing our afflicted taxpayers millions of dollars per annum for storage of grains—in some instances, actually rotting in their bins.

Since this bill definitely promotes these ends, I am more hopeful than at any previous recent time that this measure holds out a real promise of remedying some of our most perplexing and costly farm problems.

If there are no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Feed Grain Act of 1963."

SEC. 2. Section 105 of the Agricultural Act of 1949, as amended, is amended—

(1) by changing the period at the end of subsection (a) to a colon and adding the following: "Provided, That in the case of any crop for which an acreage diversion program is in effect for feed grains, the level of price support for corn of such crop shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines necessary to achieve the acreage reduction goal established by him for the crop."

(2) by adding the following new subsection (d):

"(d) The provision of this subsection shall be applicable with respect to any crop of feed grains for which an acreage diversion program is in effect under section 16(h) of the Soil Conservation and Domestic Allotment Act, as amended. The Secretary shall require as a condition of eligibility for price support on the crop of any feed grain which is included in the acreage diversion program that the producer shall participate in the diversion program to the extent prescribed by the Secretary, and, if no diversion program is in effect he may require as a con-

dition of eligibility for price support on any crop of feed grains that the producer shall not exceed his feed grain base. Such portion of the support price for any feed grain included in the acreage diversion program as the Secretary determines desirable to assure that the benefits of the price support and diversion programs inure primarily to those producers who cooperate in reducing their acreages of feed grains shall be made available to producers through payments in kind. Such payments in kind shall be made on the number of bushels of such feed grain determined by multiplying the actual acreage of such feed grain planted on the farm for harvest by the adjusted average yield per acre. The base period used in determining such adjusted average yield shall be the same as that used for purposes of the acreage diversion program formulated under section 16(h) of the Soil Conservation and Domestic Allotment Act, as amended. The Secretary may make not to exceed 50 per centum of any payments hereunder to producers in advance of determination of performance. Such payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains (such feed grains to be valued by the Secretary at not less than the current support price minus that part of the current support price made available through payments in kind, plus reasonable carrying charges) and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. The Secretary shall provide for the sharing of such certificates among the producers on the farm on the basis of their respective shares in the crop produced on the farm with respect to which such certificates are issued, or the proceeds therefrom. If the operator of the farm elects to participate in the acreage diversion program, price support for feed grains included in the program shall be made available to the producers on such farm only if such producers divert from the production of such feed grains in accordance with the provisions of such program an acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide."

Mr. POAGE (interrupting reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The Clerk will report the first committee amendment.

The Clerk read as follows:

Page 2, line 6, strike the words "any crop" and insert in lieu thereof "the 1964 crop and 1965 crop".

Mr. ALBERT. Mr. Chairman, I move to strike out the last word.

(Mr. ALBERT asked and was given permission to revise and extend his remarks.)

Mr. ALBERT. Mr. Chairman, in my opinion this legislation ought to be passed, and it ought to be passed today.

Mr. Chairman, in the Wheat Act passed by the Congress last year provision was made for the interchange of wheat and feed grain acreage under section 358 of that act in the event that there was a diversion program in feed grain legislation.

Unless this legislation is passed before the referendum on the wheat bill, there will obviously be no diversion program in effect for feed grains.

The principal argument on this bill has been that of postponing the matter until the wheat referendum has been held. The Committee on Agriculture has reported this bill and asked for a rule and has asked to have it programed. A rule has been granted and the bill has been programed. The minority have argued time and again that the responsibility for moving the legislative program belongs to the majority. We have assumed that responsibility and if we do what the minority now wants us to do we will abdicate our responsibility in this regard.

Mr. Chairman, when the wheat farmer goes to the polls on May 21 to vote in the referendum he is entitled to know whether there is going to be an opportunity to interchange wheat and feed grain acreage, as provided in the Wheat Act. Otherwise he is going to be voting in the dark. He is going to vote on a guess as to what the Congress might do at some later date.

What is wrong, I ask you, with the Congress letting the farmer know what the program is going to be before he votes? I submit that that is the issue so far as the question of timing is concerned. I submit further that if this proposition had been brought up a day or two after the wheat referendum it would have passed without the slightest difficulty.

I refer to the feed grains bills of 1961 and 1962 which have been passed by this House. In 1962, last year, on March 22, in the CONGRESSIONAL RECORD on page 4381 the question was put on the feed grain bill and it was passed by a voice vote, without a record vote being called for, without even a division being demanded.

Mr. Chairman, reference has been made to fictitious figures. I would like to refer to some figures that are not fictitious, figures that are factual. When President Truman left office in January, 1953, CCC stocks were valued at \$2.4 billion. When President Eisenhower left office 8 years later CCC stocks were in excess of \$9 billion.

Mr. Chairman, I urge the enactment of this bill.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. ALBERT], has expired.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is no secret that many of us, as the majority leader has just said, are interested in moving along

the legislative program but that is not to say that taking that position we on this side believe that a measure such as this should be considered at this particular time.

I cannot refrain from stating on this occasion, as I have on others, with reference to President Eisenhower that for the first 2 years his administration was in office we on the Republican side had a bare majority of the membership. As I remember, we had 221. A majority, of course, is 218. Then for 6 years my friends on the other side were in complete control of congressional action as far as legislation was concerned.

It is no secret that time and again President Eisenhower asked for the adoption of legislation in the area of agricultural assistance, assistance to the farmers, finally coming to the point where he said, "If you will enact legislation within these broad guidelines I will approve it." No such action was had from a Democrat-controlled Congress.

I sat here and listened to the debate. I listened to what the gentleman from Illinois [Mr. FINDLEY] had to say and to his exposition of the figures that are involved here in respect to the cost of this program and what it will accomplish. I was impressed by them. My only regret is that more Members of the House were not here on that occasion, at that time, to hear and to see his presentation, the very graphic figures that in my opinion were not fictitious. They were factual and conclusive.

It is something of an open secret that the great haste that is being exhibited in the consideration of this legislation is very definitely connected with the wheat referendum vote to be held. The majority leader argues that in that forthcoming referendum the wheat farmer is entitled to know what the situation will be as far as this legislation is concerned. My view is that it would be much better to have the referendum on wheat taken and then have the House of Representatives and the Congress enact legislation that would then be deemed to be necessary. In other words, as far as I am concerned, I did not vote for this legislation to begin with because I did not think it would do the job, and I think it has been proven conclusively that it has not done the job.

In the second place, I think the wheat farmers of this country are entitled to vote in that referendum a few days from now, and then, that vote having been taken, let the Congress of the United States enact good legislation.

Some have indicated that if the wheat referendum result is negative there will be no legislation. I have been in that kind of game before. I know if the wheat referendum fails, of approval, the Congress of the United States in good time will enact sound legislation. At least I hope it would. As I say, I have been in that kind of a bind before. I know that the Congress would not dare to go home without action. Despite all the pressures that have been applied, my opinion is that the wheat referendum

will not be approved. If that is true, if that comes to pass, then I say there will be plenty of time for us to enact this sort of legislation. So as far as I am concerned, I hope a straight motion to recommit will be offered and I am going to support it. I think it is in the best interest of the country, the best interest of the farmer and of our economy, and in the best interest of the Treasury and the taxpayers. When the time comes, we can enact necessary legislation and we will have plenty of time to get it done.

The CHAIRMAN. The time of the gentleman has expired.

Mr. THOMPSON of New Jersey. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the opinions of the minority leader are very interesting, but I would like to say this. I have been here since 1955 and I voted for this program and I voted for cotton and for wheat and for corn and for tobacco. I want to vote for the feed grain program today. But I tell you this, win or lose today, if this referendum which has benefited wheat farmers under the legislation now existing which has helped them so greatly, fails to secure their approval, I am going to yield to the people in my district who have been criticizing me. And, I am sure, many of my colleagues from the northeast section of the country are going to do likewise. I have voted for the last feed grain support bill I will ever vote for unless this program is approved. Before I get to talk to the wheat farmers themselves and their representatives, I might point out that notwithstanding your very narrow majority in the first 2 years of the Eisenhower administration, this legislation was in your hands—you had the responsibility and you handled it in such a manner that they turned you out, leaving the problem to us. Now we have solved it and we have saved you millions of dollars. You are not going to come back here on the 22d of May and get away with opening up the Benson plan again and making us vote to support every single bushel of wheat that they want to grow. They will take the money they get from taking acreage out of production under a Benson-type plan and do like they did before. They will go out and buy fertilizer and double their production and put enormous surpluses in the graneries.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. Yes, briefly.

Mr. HALLECK. Of course, I am always very brief. The gentleman referred to the fact that we were turned out.

Mr. THOMPSON of New Jersey. That is a matter of history.

Mr. HALLECK. As a matter of fact, that is not—

Mr. THOMPSON of New Jersey. I decline to yield further.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I will yield to the gentleman when I have time.

Mr. Chairman, on February 14 I wrote to my constituents. I said that it was my fervent hope that this legislation would come before us and it would pass. In a sense, I apologized to my consumers for some of my farm voting record. But I was able to do so on the ground that this program had saved my consumers money in the cost of bread and in the cost of wheat storage which they are helping to support. I said, therefore, I would look toward the wheat referendum for guidance, and if the wheat farmers do not want a program, I wrote, which has considerable opposition from the people of my district, then neither do I. I am going to be guided by whatever the wheat farmers themselves do, and I am talking only for myself. If they turn this program down, how then can I or any other reasonable person expect to come back here and do anything except possibly for the dairy farmer.

Now, Mr. Chairman, I yield to my friend, the gentleman from Indiana.

Mr. HALLECK. I just want to observe that when you were winning the election, you promised the farmers of this country 90 to 100 percent of parity. The price in the market place is about 77 percent. The low figure you have in this bill is 65 percent.

Mr. THOMPSON of New Jersey. That is true.

Mr. HALLECK. May I just make this further observation—

Mr. THOMPSON of New Jersey. Just a minute.

Look at the record. I voted for 90-percent parity. Then I got smart and I will not do it any more. I have voted for some basic programs because I sincerely believe that the farm population is as important a segment of our society, no matter what is raised, whether it be peanuts, wheat, corn, cotton, or other products, as are those people who work in the cities. I am always ready to support any sensible farm legislation. But you are not going to sucker me back again on an open end Benson plan.

Mr. BASS. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield.

Mr. BASS. The distinguished majority leader mentioned the fact that after they went this far in the 83d Congress that for 6 years the Democrats had the responsibility of legislating.

Mr. THOMPSON of New Jersey. That is right, and in the interim the President vetoed a good bill and they turned the Executive out. Mr. Chairman, following these remarks is my newsletter of February 14, to which I referred earlier.

Mr. BASS. We passed five regular farm bills.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

(Mr. THOMPSON of New Jersey asked and was given permission to revise and extend his remarks.)

Mr. THOMPSON of New Jersey. Mr. Chairman, each year since 1955, when I first came to the Congress, we have voted on farm legislation. Each year I hear

from constituents presenting a broad range of opinion relating to farm legislation. At one extreme are many who say the Federal Government should get out of agriculture. At the other end are those who tell me that there is a national interest in preserving the family farmer and the business community which serves him.

Most of the time, I have voted for farm programs—reported out of the House Agriculture Committee in two administrations—for wheat, wool, sugar, and other crops. I have done so because my colleagues representing farming areas have assured me that these programs were necessary to maintain an important segment of our economy. These votes in favor of farm bills have aroused great criticism from many of my constituents and gave my last opponent what he believed to be a major campaign advantage. Fortunately, a considerable majority of the Burlington-Mercer voters believed with me that my votes were in the national interest.

Again this year, we must face up to the farm problem. Some time late this spring, wheat farmers will vote in a national referendum on whether to participate in the Kennedy farm program which has reduced surpluses and thus storage costs to our taxpayers without raising the cost of bread and flour to the people in my district. As a matter of fact surplus storage costs have been reduced by \$270 million since the President's program went into effect; a real break for the taxpayer.

I will look to this wheat referendum for guidance. If the wheat farmers don't want a program, which has considerable opposition from the people of my district, neither do I. I am sure that many of my colleagues share my view.

Some people are running around Washington and the wheatgrowing areas saying that if the referendum fails, Congress will pass a better wheat program. Speaking in Champaign, Ill., the other night, President Charles B. Shuman, of the American Farm Bureau, said:

Regardless of how the referendum goes, Congress will be in session and new legislation will be introduced.

That may be, but if the wheat farmers vote against a wheat program that is cutting the surpluses burgeoning our granaries, so will I.

Mr. Shuman's statement clearly implies that the Congress would substitute some other type of wheat legislation in lieu of the successful Kennedy program. Perhaps he is right, but you can bet your hat that Representatives from nonfarming areas will not vote for another Benson or Benson-type bill. We like to support programs which help the farmers and save money at the same time. Like our constituents, however, we believe that any return to the expensive, pre-Kennedy programs should be resisted. We like the present program and hope that the wheat farmers do, too.

Mr. QUIE. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I think we ought to point out here some of the statements

that the majority leader made which were not correct, although I know he had no intention to do so. The vote which was taken without a rollcall on a farm bill in 1962 was the one in which there was no certificate plan for wheat. This was reported by the committee. It came to this House. We voted on it and passed it. Then it went to conference, and it was in conference that the certificate plan for wheat was introduced. At that time the vote was recorded 202 to 197.

Mr. ALBERT. Mr. Chairman, if the gentleman will yield, I made no such statement. I said the vote was on the feed grain bill. That is what this bill is. If I said wheat, it was the feed grain bill.

Mr. QUIE. Then later the majority leader compared the inventory cost in 1960 with the present cost of our surplus. I call attention to the fact that in 1961 Secretary Freeman changed the accounting method and that meant a manipulation in the inventory costs of the surpluses. So the figures for 1960 are not comparable with those of succeeding years.

If we are to use proper and comparable figures we should use net book value. Using the net book value, in 1960 the surplus amounted to \$5.6 billion; in 1961, \$5.7 billion; in 1962, \$6.3 billion; and in 1963, \$7.1 billion.

I make this statement just to set the record straight.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. MICHEL. In that connection, the borrowing authority of the Commodity Credit Corporation at present is \$14 billion. Several weeks ago we were asked to make a supplemental appropriation of \$585 million. That amount of money was necessary in order to give them sufficient leeway to implement these programs. So the whole extent of the borrowing authority of the Commodity Credit Corporation is right at the limit now, practically \$14 billion.

Mr. QUIE. Mr. Chairman, I happen to be one who believes that the feed grain law that has been on the books for 3 years is basically sound. I think it can be made to work more economically and do the job. I ask you to vote to recommit this bill so that we can consider feed grain legislation to meet the situation that will prevail in this country after the referendum on wheat has been held. Then I think we can devise a sound feed grain bill and a wheat bill which would be less expensive, possibly, and do the job that we wanted, governed by the experience we have had under the past administration and this administration. Then I think we can pass legislation calmly, and not, as the gentleman from Kansas said, based on referendum politics at this time.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 6, strike the words "for which" and insert in lieu thereof "if".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 14, strike the comma after the word "effect" and insert "for the 1964 crop of the 1965 crop."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 15, strike the word "any" and insert in lieu thereof the word "such".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 2, line 16, change the period to a colon and add: "Provided, That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the acreage diversion program for feed grains if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960, and does not devote any acreage devoted to the production of oats and rye in 1959 and 1960 to the production of wheat pursuant to the provisions of section 328 of the Food and Agricultural Act of 1962."

The committee amendment was agreed to.

Mr. KYL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KYL: Page 3, line 7, strike the words "such portion of", strike the rest of page 3 through line 25, strike lines 1 through 18 on page 4 through the word "therefrom", and page 11, line 15, strike the words "minus that part of the current support price made available through payments in kind".

(Mr. KYL asked and was given permission to revise and extend his remarks.)

Mr. KYL. Mr. Chairman, I rise in support of the amendment to strike from this bill the virtually unlimited authority for the Secretary to make direct payments as part of the price support on corn and other feed grains in 1964 and 1965. This amendment is sound for two reasons: First, it will reduce the cost of the feed grain program, and second, it will eliminate the Brannan plan feature of this bill which is an extremely bad precedent for feed grain and other farm legislation.

The experience that we have had with the voluntary feed grain program in 1961, 1962, and 1963 shows that the direct costs have increased in each of these years even though the acreage in the

third year declined. As the committee report points out, in 1961 there were 25.2 million acres diverted at a direct cost of \$782 million. In 1962 there were 28.6 million acres diverted at a direct cost of \$842 million, and in 1963 there were 25.8 million acres diverted at a direct cost of \$983 million. The record shows that even though there are 3 million less acres diverted in 1963 than was the case last year, the direct cost has advanced some \$140 million. The reason for this, Mr. Chairman, is the inclusion of the direct payment provision in the 1963 program. The land retirement payments alone under the 1963 program amount to some \$496 million. The direct payments account for another \$487 million. Thus, if the direct payment authority were deleted under the 1963 program and the diversion rates remained as the Secretary of Agriculture proclaimed them, a direct savings of \$487 million could have been achieved. Since H.R. 4997 proposes to extend the 1963 program for 2 more years and contains this direct payment authority, the unnecessary expenditure of approximately \$1 billion will be made.

It cannot be argued that the elimination of direct payments will cripple the program because there were no direct payments in 1961 and 1962, and things worked out satisfactorily.

These direct payments, as I said before, establish a very bad precedent because legislation is now pending in our Committee on Agriculture to apply direct cash subsidies to cotton textile mills and cotton farmers and to make direct cash payments to dairy farmers. Some people are even proposing to make direct cash payments to dairy processors in order to lower the price of butter.

All these direct payment plans are, of course, financed through the back door of the Treasury and the Congress, and the Appropriations Committees have absolutely no effective way to control the expenditures that the Department of Agriculture might make—and let me again remind you that these expenditures are of very large proportions. The feed grain payments in 1963 are to be some \$487 million, the cotton bill pending in our committee contemplates payments of \$382 million, and the dairy proposals are somewhere in the neighborhood of \$300 million.

Mr. Chairman, I believe in a feed grain program, and I have since 1960 supported the establishment of a voluntary feed grain program based on land retirement and soil conservation, the use of payments in kind, the limitation of program benefits to participants, and the promotion of a sound market economy. If H.R. 4997 were changed in such a way as to delete these direct payments, I feel that we would have a voluntary feed grain program which meets the basic requirements of a successful program.

In 1961 when the original feed grain bill came before the House, the gentleman from Minnesota [Mr. QUIE] and others pointed out that there were a good many valid features incorporated in this type of legislation, but we vigorously op-

posed the dumping authority contained in that original proposal. I am happy to say that the Department and the Committee on Agriculture both have recognized the undesirable nature of this authority and have included an antidumping provision in this legislation which would prevent the Secretary from selling grain representing payment-in-kind certificates for less than the support price plus reasonable carrying charges. In conclusion, Mr. Chairman, I feel that we should have a voluntary feed grain program but that the program could be operated more economically without establishing this extremely bad precedent if the direct payments were deleted as proposed by the amendment.

Mr. JENSEN. Mr. Chairman, it is noteworthy that every Member who has spoken in favor of this feed grain bill for the crop years of 1964 and 1965 have praised the 1963 program now in effect. Why not? Oh, no; it must be thrown in the ash can, and this bill which provides that the Secretary of Agriculture will at his own discretion at some later date, tell our farmers and the Congress the kind of a feed grain program that he and only he will permit. That, my friends, is more power than any good man would want or any bad man should have.

The feed grain bill which Congress passed last session for the crop years 1963 and 1964 was a pretty good bill for 1963, but bad for 1964, because it was plain to see unless greatly amended for 1964 corn would go down to 80 cents per bushel as I and others predicted, and which was, after the 1962 election, admitted by the President who then asked for an amended bill for the crop year of 1964, but certainly, Mr. Chairman, the bill now before us is not a solution to the feed grain problem facing our farmers in 1964.

It is plain to see that the farmers of the Middle West can expect little from Congress so long as the Democrats are in power. Listen, please, to these facts and figures:

LIVESTOCK PRICES DROP WHEN DEMOCRATS ARE IN CONTROL OF CONGRESS

Prices on most every farm product were driven down when the Democrats rolled back cattle prices 10 percent early in 1951.

HOG PRICES AT THE OMAHA MARKET

In 1940: Low \$5.25; high \$7.30; Democrat controlled Congress; peace.

In 1941-47: High \$27.50; Democrat controlled Congress; war.

In 1947-48: High \$32.25; Republican controlled Congress; peace.

In 1949-52 (rollback): High \$26.50; Democrat controlled Congress; war.

In 1953-54: High \$28.65; Republican controlled Congress; peace.

In 1955-58: High \$25.25; Democrat controlled Congress; peace.

In 1959-62: High \$20.35; Democrat controlled Congress; peace.

Today's high about \$15; Democrat controlled Congress; peace.

LOOK—SOUTHERN DEMOCRATS CONTROL AGRICULTURE COMMITTEES OF CONGRESS

Senate Agriculture Committee: Democrat chairman from Southern State; 11 Democrats, 6 from Southern States; 6

Republicans, 5 from Midwest and Northern States.

House Agriculture Committee: Democrat chairman from Southern State; 20 Democrats on committee, 13 from Southern States; 14 Republicans, 13 from Midwestern and Northern States.

Farm products of the Southern States: Mostly cotton, tobacco, rice, and peanuts—prices good.

Farm products of the Midwestern States: Mostly corn, wheat, livestock, poultry, and eggs—prices low.

Congressmen and Senators always look after their own people best. Southerners and midwesterners are no exception.

MIDWEST FARMERS AND MERCHANTS NEED AND DESERVE A REPUBLICAN CONGRESS

Two wars less than 6 years apart, high taxes, low livestock prices, and high cost of all manufactured commodities which our farmers buy have the farmers of the Middle West in a bad price squeeze. Our farmers got fair prices during the wars, but neither they, their wives, nor their children want any more of that kind of business.

Also remember: The Democratic Party was in complete control of the House of Representatives when farm prices went to pot in 1931-32.

Mr. Chairman on Thursday, October 4, 1962, in this House, I said:

Mr. Speaker, along with a great majority of the Members representing the breadbasket States, I could not support the 1962 farm bill for the many following reasons:

Here are some excerpts from a speech by Congressman HOEVEN, of Iowa, top minority member of the House Agriculture Committee. On October 1, 1962 (see page 20439 of the CONGRESSIONAL RECORD), he said:

"In 1963 corn and wheat farmers will experience a very liberal and expensive payment program for the voluntary retirement of acreage, but in 1964 the honeymoon is over. After 1 year of payments on producing acres, payments on nonproducing acres and price support loans at \$1.02 per bushel, the rug is pulled out from under the corn farmer. He is then faced with no payments whatsoever and price support at 80 cents a bushel. Not only that, but the Government surplus could be dumped on the market at 84 cents a bushel, plus carrying charges, and 175 million bushels of cheap feed wheat would be thrown into artificial competition with corn. During the debate in the House on the conference report there was not one single attempt to dispute the obvious fact that there will be 80-cent corn in 1964. During the debate in the Senate on the bill both before and after it went to conference, the junior Democratic Senator from Wisconsin [Mr. PROXMIRE], pointed out that under the Senate-adopted formula the 1964 corn support would be extremely low—50 percent of parity.

At page 19325 of the CONGRESSIONAL RECORD of September 24, 1962, he said:

"Next year our feet will be to the fire. Those of us who want to maintain income for dairy, beef, and hog farmers will be in a far different position than we were this year, because the alternative to doing nothing will be 50 percent price supports, which means a further cruel income drop for our farmers."

Tobacco is supported under a special formula passed 2 years ago to prevent tobacco supports from going higher (under Public Law 86-389 the 1962 tobacco support is 101 percent of the 1959 support), peanuts are currently supported at 82 percent of parity, rice at 76 percent of parity, and upland cotton at 82 percent of parity.

Along with the sharp increase in the num-

ber of employees added to the Department of Agriculture in order to help that agency spend even more tax money, farm debt in America has also risen to an alltime high of \$27.7 million. So have farm costs risen to an alltime high of \$27.6 billion in the second quarter of 1962.

Whether it is bypassing Congress through a radical delegation of legislative authority, or whether it is penitentiary terms for dairy farmers, or whether it is 80-cent corn for corn farmers, or whether it is by another means, the end is the same—the complete control of our agricultural economy. This is what we have to look forward to next year—more attempts at controlling American agriculture.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would call the attention of the committee to the fact that if you strike these provisions out, you restore supports on unlimited production, supports to the noncooperator as well as cooperator. You make no distinction. You create an utterly intolerable situation.

This is the Quie amendment. This is the amendment which was placed in the bill at the suggestion of the gentleman from Minnesota in the 1963 act, and it had a very sound purpose. The committee accepted it after the gentleman from Minnesota suggested it. We think that it is a pretty sound approach. It eliminates the very provisions which the gentleman objected to, the dumping provisions and the sell-back practices. It makes it possible to distinguish between the cooperator and the noncooperator. If you go back to the old system of giving the man who does not cooperate the same consideration that you give to the man who is a cooperator, you get no results in the way of reducing production. You achieve nothing. Of course, the amendment simply takes the heart out of the bill.

Now, I am not going to use the language that was used yesterday, but it has exactly the effect which was described on the floor of the House yesterday, and everybody knows that effect. Of course, I recognize that there are various ways of killing bills, and obviously this is one of the elite methods of killing bills. There will be a good many people who do not understand it. But, I believe the membership of this House, understands that you must have a distinction between a cooperator and a noncooperator; that you must have a way of making payments to the cooperator that is not going to the noncooperator, and this amendment simply takes out that payment. This amendment places you in a position where you actually have no program at all. The only way you can get a program under this would be to go back to the discredited system that the gentleman has referred to, of sell-backs.

Mr. Chairman, I urge that the committee reject this amendment.

Mr. NELSEN. Mr. Chairman, I move to strike out the last word.

(Mr. NELSEN asked and was given permission to revise and extend his remarks.)

Mr. NELSEN. Mr. Chairman, I would like to make some observations relative to the administration of the present feed

grain law as it applies to the family farms of America.

Mr. Chairman, in my judgment one of the most devastating practices that has been used in the administration of this program has been the sale of Commodity Credit Corporation grain which has constantly depressed the market unnecessarily. It is my opinion that under the new bill this provision is being corrected, admitting a mistake under the previous legislation.

Mr. Chairman, records show that production has been below disappearance which normally would have produced a higher price. Commodity Credit stocks have been unwisely dumped. The result has been that feed prices have been depressed. We have often heard from the Secretary that cheap feed means cheap livestock. The result of that is that the population of livestock on the farm has increased materially and the price of livestock has been depressed.

Mr. Chairman, under the bill that we are considering today the thing of which I am afraid is this: That the supports are set in a flexible manner, which used to be a dirty word, at from 65 percent to 90 percent of parity. The compensatory payments are in the hands of the Secretary of Agriculture to be used at his discretion. The support levels are subject to his discretion. He has the power to break the feed grain market, which might be all right for a cash crop operator but the family operated livestock farmer who raises his own feed for production of livestock products will find himself confronted with cheap feed in the marketplace and at a price cheaper than a small farmer can raise it. Therefore, the commercial producer is going to be in that market producing in competition with the little farmer who has fixed costs and run him out of business.

Mr. Chairman, I do not believe the Secretary should have the authority to set the compensatory payments. It is my opinion that Congress should do it if done at all. I do not believe the Secretary should have the authority to adjust the prices to the extent which he is given that authority in this bill. The Secretary has altogether too much power.

Mr. Chairman, the Congress meets every year. We can set the payment if it must be that way. We should also be in control of some of these things which we now so willingly put in the hands of the Secretary who in my judgment has abused the authority that he already has.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. KYL].

The amendment was rejected.

Mr. POAGE. Mr. Chairman, I ask unanimous consent that the balance of the bill be considered as read and open for amendment at any point.

Mr. NELSEN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. HARDING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARDING: On page 1, strike out all after the enacting clause and substitute in lieu thereof the following: "That section 105 of the Agricultural Act of 1949, as amended, is amended by striking out subsections (a) and (b), and substituting the following:

"(a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1963 crop, no price support shall be made available for any crop of corn, grain sorghums, barley, oats, or rye."

"SEC. 2. Section 407 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following:

"Beginning January 1, 1963, the Commodity Credit Corporation shall dispose of its stocks of corn, grain sorghums, barley, oats, and rye at market prices at an annual rate equal to one-fifteenth of such stocks on hand on January 1, 1963. *Provided*, That in disposing of such stocks of corn, grain sorghums, barley, oats, and rye, the corporation shall to the maximum extent practicable pursue a domestic sales policy which will: (1) insure the retention of only the highest quality stocks of such feed grains in its inventory, and (2) have a minimum adverse effect on market prices of such feed grains."

Mr. HARDING. Mr. Chairman, this is identical to the amendment that I offered last year. This is an amendment that everyone can understand. We presently have no controls on feed grains. All this amendment does is abolish all of the price supports.

Mr. Chairman, we have heard talk earlier today about the 1961 program costing \$800 million, the 1962 program costing \$900 million, and that the 1963 program is probably going to cost \$1 billion for payments to growers and administration. While abolishing the price supports, I would like to point out that my amendment provides for the orderly disposal of the surpluses over the next 15 years. Now, just what is this going to do? Right now at the end of the marketing year in 1962, we have a surplus of 61 million tons of feed grains. If we disposed of it over the next 15 years, that would mean the disposition of 4 million tons per year.

In 1962 we produced 143 million tons of feed grains and we utilized 154 million tons of feed grains. If we added the 4 million tons from Commodity Credit stocks in 1962 we would still have had a market for 7 million tons more than the total produced and the total sold from CCC stocks. Obviously, if you are going to allow for supply and demand and you have a demand for 7 million tons more than there is available, you are going to have a good price and you are not going to break any market.

Last year several people said, "Well, Mr. HARDING, I agree with your amendment, but it will kill the bill and we have got to pass this bill this year." I can tell you right now that if my amendment is not adopted today and this act is extended for 2 years, 2 years from now this same feed grains giveaway will be back before us. I hope I will be here again to offer my amendment and I will probably be told again that it will kill the bill. I think it is time that we vote for freedom and, as I said a little earlier, not only freedom for the farmer but freedom also for the taxpayer. I think the elimination of this \$1 billion program

would be a good thing. I think it is workable. I think it is in the interest of American agriculture because, as the gentleman from New Jersey [Mr. THOMPSON] pointed out, the city boys are not going to vote forever for unworkable farm programs that allow price supports and at the same time allow farmers all over America to produce as much as they want to produce if they do not sign up for the program. And that is what we are going to have under this program.

(Mr. HARDING asked and was given permission to revise and extend his remarks.)

Mr. FINDLEY. Mr. Chairman, I rise in opposition to the amendment. I sympathize fully with the objectives toward which the gentleman would move. I think the Members will recall many occasions when I have spoken out strongly in behalf of getting the Government out of the grain business. There are some weaknesses in this proposal, and I think the fact that he has presented this amendment is a good reason for recommending the bill so that the full committee may hear testimony and close the loopholes and improve the proposal the gentleman has made. This is one of many alternatives which could and should be considered for feed grains.

One other alternative would be to revise the 1958 program. This was basically a sound program. The reason we had a buildup of stocks under the 1958 program was that the floor on price supports was at an unrealistic level. Had it been lower we would not have had the buildup in stocks.

Another alternative would be the plan I have advocated for several years, that of selling surplus stocks back to the farmers at an attractive price in exchange for a short-term land-retirement agreement.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we had one amendment here that would have taken out all inducements for limitation on production. Now we have an amendment which would take out all supports. Of course, if you take out either you make this a completely unworkable bill.

I think the proponent of this amendment recognizes and admits that he is simply flailing around rather blindly, trying to destroy almost anything that comes in his reach at the present time. So he suggests that instead of holding this grain for 2 years as this bill would provide he would hold it for 15 years and pay storage on it during that time.

I recognize, of course, that if you sell it out in 15 years, that means you move it in an average of 7½ years and at the rate of storage that we paid last year on corn that means that we would have to pay \$2.02 a bushel on each bushel we have in storage today.

On every bushel that we have in storage today, and there are something over 2 billion bushels, you are going to pay \$2.02 on every bushel, and that is nearly \$5 billion that you are going to pay out in storage before you get rid of it over this 15-year period.

Mr. HARDING. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Idaho.

Mr. HARDING. I would like to point out to the gentleman the reason I provided for the disposal of it over 15 years is because the storage life of feed grains is 15 years. I wanted it to have the minimum effect on the market price. I think that \$5 billion for a feed grain program for the next 15 years is pretty cheap, when we consider it is going to cost us \$1 billion this year and if we extend it over 15 years it would cost us \$15 billion.

Mr. POAGE. It is merely the storage I am talking about, it is merely the storage of what we now have in the warehouses.

How much we will grow with no restrictions we do not know. Of course we want to protect the livestock market. We would all like to see that done. But when you turn production loose and grow unlimited amounts, then your losses on livestock alone may well be \$5 billion per year. But we know we have a \$5-billion loss in storage under this method. All of you who want the \$5-billion loss, vote for the amendment, but as for me, I am against it.

Mr. BALDWIN. Mr. Chairman, I rise in support of the amendment of the gentleman from Idaho.

Mr. Chairman, those of you who were on the floor last year when a similar amendment was offered will remember that on the first vote it was carried and it was only reversed by a narrow margin on a teller vote later on.

It happens that in my own district, although it is quite a diversified district, we do have some growers who grow barley, some who grow corn, some who grow oats. They are taking advantage of this bill, but every time I have talked to them they themselves have expressed a feeling that we would do better to eliminate this whole program.

I issued a questionnaire this year to every family of registered voters in my district as to whether they were in favor of eliminating price supports, and the vote was overwhelming for eliminating them.

This amendment would end the problem of incoming surplus commodities for the Commodity Credit Corporation. The incoming flow of commodities to the Commodity Credit Corporation over the years has been greater and greater. This would bar the incoming flow, so we could see an end to the program, and that is one thing we have not been able to see in any program before the House in recent years.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Illinois.

Mr. FINDLEY. One defect I did not mention earlier that I see in this proposal is that it still leaves the going-out-of-condition loophole in the Secretary's authority to dump stocks on an unprotected market. I think this is an additional reason to recommit the bill, so that the loophole can be closed.

Mr. BALDWIN. If the pending amendment is defeated, I will vote for the motion to recommit. I think this is a

worthwhile amendment and a desirable amendment.

Mr. BEERMANN. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Nebraska.

Mr. BEERMANN. I would like to ask that the House turn down this amendment. I am just as much for free enterprise and the market system as the gentleman from Idaho says he is. But the fallacy of this amendment is that we are discussing and legislating on only one segment of the price supported commodities. It is very commendable to reduce the support rate. Price supports should be changed on a gradual basis. We have had controls for 30, 40, or 50 years. We cannot permit such drastic action in 1 year.

This agrees with my philosophy. I would like to say to the gentleman from Idaho, I would like to support it 100 percent, but let us do it under the Agricultural Adjustment Act of 1938 and work gradually toward loan rates allowing supply and demand to operate. We can do it on a sensible basis. This bill should be returned to the committee for further study and come back with the right kind of program.

Mr. HARDING. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman.

Mr. HARDING. I would like to point out first to the gentleman from Illinois that there is not a loophole left. The most the Secretary can dispose of is one-fifteenth per year. I would like to point out to the gentleman from Nebraska that all we have before us is a feed grain bill. I will gladly offer the same amendment for any other commodity that enjoys price support without production controls.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I have taken this time because of the attacks that have been made here on price supports generally. May I say to our colleagues that there are many dislocations in the overall agricultural picture. Some of this dislocation comes from the fact that through the years we have been trying to hold controls in line by acreage control, a practice which, in turn, is an incentive to get as much production per acre as possible. That resulted in some of this dislocation. Let us talk about free enterprise and free economy. Something we all believe in. However, when you have a stack of laws 2 feet high, laws that give the right to organized labor to organize and to strike and to bargain; when industry has to add its markup or profits on top of the cost of production—and I am not attacking any of that—but when you are dealing with an economy in which all of this is an established fact, then I say to you, if you do not give some protection to the price of raw materials, and some protection to the rights under law of the other seg-

ment of our economy, agriculture, it will run prices of raw material right down into the ground and our food and fiber will then come at the expense of the land in this country, remember we wore out about half our resources that way.

I want to say one other thing. Through the years I have worked in the Committee on Appropriations for agriculture, I have come to know that agriculture is by far the greatest market for the industrial output of this country. I say to you, if you get rid of price supports you will destroy that market. If price supports are gone, the take by the other two major segments will take more and more of the consumer dollar. You will have cheap feeds and you will have cheap meat but you are going to have such low purchasing power by agriculture that you will have another depression just as the other depression that we had which started with low farm income. Not only do I point that out to you, to my friends in the towns and cities, and I am not a farmer, but the worst thing you can do to the American people would be to try to dry up the supplies and production so that scarcity will give the farm good prices in the marketplace. Just imagine what the situation would be in places like Philadelphia, New York, and Washington, D.C., if we had just barely enough of a supply in this country to the point where the shortage would support the price. Then suppose there was a little drought one year or a flood or the plague of locusts and so forth. Just think what would happen. My friends, if you could turn all of it loose, industry, labor, and agriculture, it might work. But, with the right of labor to organize, with minimum wages, with the right to contract and to bargain, which is a part of the American way of life, and the necessity of industry to have its profit on top of cost, I say to you there is no way to keep a proper balance between industry and agriculture and labor which is essential to prosperity without giving each its fair share of the law.

I agree that there are many dislocations in the present farm programs, but my friends when the total cost of all American agriculture, which is the greatest purchasing power that industry has, is about the same as the cost of what we are going to spend each year to try to send a man to the moon, then I say the cost is not out of proportion, though we should hold costs in line to the greatest extent possible.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho [Mr. HARDING].

The question was taken, and on a division (demanded by Mr. HARDING) there were—ayes 93, noes 122.

So the amendment was rejected.

Mr. LANGEN. Mr. Chairman, I move to strike out the last word.

Mr. POAGE. Mr. Chairman, will the gentleman yield for a consent request to limit debate?

Mr. LANGEN. Not at this time.

Mr. Chairman, this could indeed be a very dark day for American agriculture, and I say that with a great deal of sincerity. That result could come

about not because of the content of the legislation before us. After having very diligently followed the discussions here on the floor this afternoon, and I hope I may have followed them with some degree of understanding—because this may be the occasion on which this Congress has become instrumental in influencing the outcome of a vote and a referendum by the American farmers.

After having listened to the discussion here this afternoon one cannot very well dispel the thought that is bound to occur about the principle involved, whether it is in the Congress or in a department, of Government attempting to influence a vote and a decision by the people.

And I should say to you this: One is bound to recollect countries throughout the world in which that kind of oppression is carried out. I say that as if the Congress had not already carried out the influence.

Yes, by threats, if you will, that unless you vote as we have directed, do not look for any kind of sympathy here. If that is not a threat, I do not know what one is.

Mr. Chairman, even aside from that, I think there is further evidence of how come this bill is premature and is before us at a time when sufficient consideration has not been given to the matter.

I have listened this afternoon to all the money that has been saved; and to all the money that has been spent, I have also heard that farm prices are now 77 percent of parity, the lowest since 1939. What a sad and pathetic thing that after 24 years we are going to be back where we started, in spite of all the money that we have spent and in spite of all the money we have saved.

There must be some reason for this. The bill before us should attempt to solve the problems that confront the feed grain farmer. I am wondering if it does. I am wondering too if the haste to get this before us in order to influence a referendum a number of items have been neglected. Has anyone during the course of debate here today made any reference to what has happened to the export of feed grains within this year? It might be worthwhile to say to those who argue how they are going to reduce the supply that the exports of feed grains went down by 1 million tons since January of this year. Consequently, if you are going to accomplish the purpose, the first thing you have got to do is to say to American agriculture, "You are going to have to raise 1 million tons less in order to get back to where you were."

In addition there has been called to our attention the fact that imports of cream have come into being to the extent of almost 2 million pounds. This again must indicate that there will be a reduced market for feed grains and completely upset the cost and accomplishments figures that have been discussed here today.

Without consideration of these facts we can well legislate the feed grain producer less income, less markets, and even more difficult operating conditions.

This House can today, by sending this bill back to the committee for a limited

time at least protect the farmers right to make a decision on a referendum without being directed by Congress, even though we continue to reduce his income as we have done for 24 years.

The Clerk read as follows:

SEC. 3. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(h) Notwithstanding any other provision of law—

"(1) For the 1964 crop and the 1965 crop of feed grains, if the Secretary determines that the total supply of feed grains will, in the absence of an acreage diversion program, likely be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet any national emergency, he may formulate and carry out an acreage diversion program for feed grains, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of feed grains to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conserving crops or practices including summer fallow and idle land by an equal amount. Payments shall not be made in amounts in excess of 50 per centum of the estimated basic county support rate, including that part of the support price made available through payments in kind, on the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre. Notwithstanding the foregoing provisions, the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses, and no price support shall be made available for the production of any such crop on such diverted acreage. The base period for the purpose of determining the adjusted average yield in the case of payments with respect to the 1964 crop shall be the four-year period 1959–1962, and in the case of payments with respect to the 1965 crop shall be the five-year period 1959–1963. The term 'feed grains' means corn, grain sorghums, barley, and, if for any crop the producer so requests for purposes of having acreage devoted to the production of wheat considered as devoted to the production of feed grains, pursuant to the provisions of section 323 of the Food and Agriculture Act of 1962, the term 'feed grains' shall include oats and rye: *Provided*, That acreages of corn, grain sorghums, and barley shall not be planted in lieu of acreages of oats and rye: *Provided further*, That the acreage devoted to the production of wheat shall not be considered as an acreage of feed grains for purposes of establishing the feed grain base acreage for the farm for subsequent crops. Such feed grain diversion program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents.

The acreage eligible for participation in the program shall be such acreage (not to exceed 50 per centum of the average acreage on the farm devoted to feed grains in the crop years 1959 and 1960 or twenty-five acres, whichever is greater) as the Secretary determines necessary to achieve the acreage reduction goal for the crop. Payments shall be made in kind. The average acreage of wheat produced on the farm during the crop years 1959, 1960, and 1961, pursuant to the exemption provided in section 335(f) of the Agricultural Adjustment Act of 1938, prior to its repeal by the Food and Agriculture Act of 1962, in excess of the small farm base acreage for wheat established under section 335 of the Agricultural Adjustment Act of 1938, as amended, shall be considered as an acreage of feed grains produced in the crop years of 1959 and 1960 for purposes of establishing the feed grain base acreage for the farm, and the rate of payment for diverting such wheat shall be an amount determined by the Secretary to be fair and reasonable in relation to the rates of payment for diverting feed grains. The Secretary may make such adjustments in acreage and yields as he determines necessary to correct for abnormal factor affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual acreages and yields for the farm, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. Notwithstanding any other provision of this subsection (h)(1), barley shall not be included in the program for a producer of malting barley exempted pursuant to section 105(d) of the Agricultural Act of 1949 who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

"(2) Notwithstanding any other provision of this subsection, not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: Suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this subsection except that producers on such farm shall not be eligible for conservation payments for the first year for which the feed grain base is established.

"(3) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(h). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1964, and to pay such costs as may be incurred in carrying out paragraph (4) of this subsection.

"(4) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

"(5) Payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. Feed grains with which Commodity Credit Corporation redeems certificates pursuant to this paragraph shall be valued at not less than the current support price, minus that part of the current support price made available through payments in kind, plus reasonable carrying charges.

"(6) Notwithstanding any other provision of law, the Secretary may, by mutual agreement with the producer, terminate or modify any agreement previously entered into pursuant to this subsection if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of feed grains."

Mr. POAGE (interrupting reading of the bill). Mr. Chairman, I ask unanimous consent that this section be considered as read and open to amendment at any point, and, Mr. Chairman, I also ask unanimous consent that all debate on this section and all amendments thereto close in 15 minutes.

Mr. AVERY. Mr. Chairman, reserving the right to object, is that to this section or to the bill?

Mr. POAGE. To this section.

Mr. AVERY. Are there other sections?

Mr. POAGE. No.

Mr. AVERY. The essence of the gentleman's request is that all debate on the bill end in 15 minutes?

Mr. POAGE. That is right.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. PATTEN and Mr. FINDLEY objected.

Mr. AVERY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. AVERY. I am a little confused on what unanimous consent requests have been agreed to. Was it asked and agreed to that this section be considered read and open to amendment?

The CHAIRMAN. The Chair will state there was one unanimous consent request made which embodied two different requests that was objected to. Therefore, there has been no unanimous consent request granted by the House.

Mr. POAGE (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of this section be dispensed with and that it be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Page 5, line 7, strike out "beginning with the 1964 crop,".

Mr. AVERY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the time is late, and I understand there is an affair which many of the Members plan to attend. Could I have the attention of the gentleman from Texas.

The gentleman from Texas alluded several times to the Emergency Feed Grain Act passed in 1961 and, as I recall, he pronounced it a success. I want to say that I voted for the program and I voted for the one that succeeded it, because I thought it was a reasonably good program and the cost was, shall we say, modest. Now, will the gentleman tell me why, if we had this program that seemed to be splendid at a modest cost in 1961, has the committee insisted on encumbering and dissipating its provisions? He pronounced it a good program, one the farmers liked and one we could like. Now we add these encumbrances and continue to delegate more authority to the Secretary of Agriculture. This has made it more objectionable to the farmers of America and to those of us on this side of the aisle. It was his own creature initially, the product of the Committee on Agriculture. What went wrong with it, and why, and when?

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. AVERY. I certainly will.

Mr. POAGE. As I attempted to explain to the committee this morning, savings have been made and we could make still further savings. There was a necessity in 1961 and 1962 not only to balance supply and demand of feed grain but to materially reduce the stocks that were then on hand, the surplus carryover. That necessity will probably not exist after this fall. No man can tell just how low the stocks will be, but we know from the experience of the past 2 years that the stocks are going to be down somewhere rather close to the desired balance.

That being true, it seemed entirely unwise to put the provisions in this bill that were in the previous bills requiring the payments up to a certain amount. Consequently we give the Secretary under the terms of this bill the authority to lower those payments. You say, why did we not put a ceiling on there? There is a ceiling on there. He cannot pay more than is found necessary to secure the needed reduction to bring about a balance between supply and demand.

Mr. AVERY. That is a sufficient response at this time.

If I might further have the attention of the gentleman from Texas, did he not hear what the gentleman from Illinois [Mr. MICHEL] said, that despite all of

these attempted improvements, the cost has gone up every year? So, why do we not go back to the 1961 program?

Mr. POAGE. The gentleman is entirely mistaken. The cost has not gone up each year. He did not show us that this program had increased in cost, nor can he show it. He stated that the full cost to the Department of Agriculture had increased, and that involves a great many factors which are not involved here this afternoon.

Mr. AVERY. I thank the gentleman. I guess you hear what you want to hear and see what you want to see. But, certainly, I understood the gentleman from Illinois [Mr. FINDLEY] and the gentleman from Illinois [Mr. MICHEL] both to show very persuasively that the cost of this program has gone up year after year. Therefore, I would only suggest to the gentleman that we go back to the 1961 program and I think we can all agree on it and pass it very quickly.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Kansas has expired.

The question is on the committee amendment.

The committee amendment was agreed to.

Mr. POAGE. Mr. Chairman, I move that all debate on this section close in 10 minutes.

The CHAIRMAN. Is the gentleman from Texas aware that the Chair is attempting to place before the Committee other committee amendments?

Mr. POAGE. I shall withhold my motion, Mr. Chairman.

The CHAIRMAN. The Clerk will read the balance of the committee amendments.

The Clerk read as follows:

Page 6, line 9, strike the words "any subsequent" and insert in lieu thereof "the 1965".

Page 6, line 10, strike the words "most recent".

Page 6, lines 10, 11, and 12, strike the words "determined by the Secretary to be representative for which statistics are available," and insert in lieu thereof "1959-1963."

Page 8, line 9, after the period add: "Notwithstanding any other provision of this subsection (h) (1), barley shall not be included in the program for a producer of malting barley exempted pursuant to section 105(d) of the Agricultural Act of 1949 who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960."

The committee amendments were agreed to.

Mr. MICHEL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MICHEL. Are we to have all of the committee amendments adopted before any amendments are to be accepted by the Committee?

The CHAIRMAN. The Chair will state that that is the usual procedure.

Mr. MICHEL. This does not foreclose our going back to page 9, now, if we move on to pages 10 and 11?

The CHAIRMAN. We are now on page 9.

Mr. MICHEL. Mr. Chairman, I offer an amendment to page 9.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: Page 9, line 3, after the word "performance" strike the period and insert the following: "Provided, That in no event shall the Secretary in the 'crop years 1964 or 1965 make payments to any producers under this section 16(h) and under section 105(d) of the Agricultural Act of 1949 as amended in excess of 20 per centum of the fair market value of any acre involved."

Mr. MICHEL. Mr. Chairman, the reason I offer this amendment is first and foremost because I am concerned over any kind of program which pays anyone for doing nothing or pays a farmer for keeping idle his acres. This is repugnant to me.

Mr. Chairman, I am also concerned with the broad discretionary power that is given the Secretary of Agriculture in this bill to raise and lower these payments. We know that there have been instances in the past where land has been purchased just a few years ago for less than \$5 an acre for which we are now paying three times that amount in payments for diverted acres.

Mr. Chairman, in my area we pay farmers \$50 and \$60 an acre to keep their land idle. I say that with this broad discretionary power that the Secretary has it is conceivable that some of these payments could get completely out of hand. Therefore I say let us not provide for a payment in excess of 20 percent in 1 year of the market value of those diverted acres, for if it is in excess of that, shucks, over a period of 5 years we might as well take title to the land in the name of the Federal Government.

Mr. Chairman, I think it is a good limitation which I am proposing here in good faith.

May I say for the purpose of legislative history that this should in no way be considered to be an acceptable standard for payments by the Secretary. It would in my opinion be unconscionable to sanction a payment that even came close to this but I just want to make sure that the Secretary with his broadened powers does not raise these payments to unreasonable levels as he can do.

Mr. POAGE. Mr. Chairman, it is my understanding that the broad effect of this amendment is to limit the diversion payments in either year to not more than 20 percent of the fair market value of the diverted acres. If this is the meaning of the proposed amendment, why, we have no objection to the amendment and would be glad to accept it.

Mr. MICHEL. If the gentleman will yield, this is the intended purpose of my amendment.

Mr. POAGE. We will be glad to accept the amendment.

Mr. JONES of Missouri. Is not the gentleman fearful that some county committee might get the idea that they are supposed to pay 20 percent of that \$800 or \$900 an acre land which the

gentleman has in his district, and they will be making payments that high?

Mr. MICHEL. No, I do not take that position at all. But I reaffirm my concern that since we are changing this discretionary authority of the Secretary in which he has broadened powers that he will not use this as an avenue for making outlandish payments under this program.

Mr. JONES of Missouri. I have seen it happen that each time we try to put a maximum someone will apply it as a minimum, and we get in trouble that way. I think the gentleman is making a mistake.

Mr. MICHEL. I happen to take a view at variance with my friend in this instance.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

Mr. SMITH of Iowa. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Iowa: On page 9, line 1, after the period insert the following:

"Notwithstanding any other provision of this subsection (c)(1), the Secretary may, upon unanimous request of the State committee established pursuant to section 8(b) of the said Conservation and Domestic Allotment Act as amended, adjust the feed grain bases for farms within any State or county to the extent he determines such adjustment to be necessary in order to establish fair and equitable feed grain bases for farms within such State or county."

Mr. POAGE. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. MICHEL. Mr. Chairman, reserving the right to object, I have one amendment on page 10. Will the gentleman assure me 3 minutes in support of that amendment?

Mr. POAGE. My request was for debate to close in 10 minutes following the gentleman from Iowa [Mr. SMITH].

Mr. Chairman, I move that all debate on this section and all amendments thereto close at 6 p.m.

The CHAIRMAN. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

Mr. SMITH of Iowa. Mr. Chairman, under this program the Secretary calculates the number of acres that he deems will be necessary to provide needed consumption for a given year. Then we divide that total production among the various farmers. The determination of the acreage allotment or the base for each individual farm is determined according to what he raised in 1959 and 1960. I submit to you that on many farms in this nation this is not a fair basis for determining his base acreage. The reason is that perhaps, even by accident, he put all his farm into soybeans one year and none of it into corn, so he ends up with an unfair base. Some producers under these circumstances con-

tribute more for the payments they receive than others because before they can comply with the law they have to give what they should have had above their base acreage as a base. On the other hand, some have such high allotments that they are actually giving little for the money that they get for reducing acreage.

In 1957 under the Acreage Reserve Act adjustments were made. In those States only where the State committee is in unanimous agreement that adjustments need to be made, this amendment would permit adjustments to be made between farmers.

Mr. Chairman, I have talked to the farm leaders on both sides of the aisle and I believe there is not too much opposition to this amendment. I hope it will be accepted.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield.

Mr. POAGE. Mr. Chairman, I talked to the gentleman about this amendment before he offered it. I told him that while I was not too enthusiastic about it we would interpose no objection to it. The committee does not object to it.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Iowa.

Mr. JENSEN. I feel that the gentleman's amendment is well taken. It will serve as a good change in the present program. I certainly hope his amendment will prevail.

Mr. SMITH of Iowa. I thank the gentleman. Of course we know that Iowa producers have been particularly in need of adjustments.

Mr. JENSEN. That is right.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Iowa.

Mr. HOEVEN. I have no objection to this amendment.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Illinois.

Mr. FINDLEY. For clarification, do I understand correctly that this could not possibly have the result of increasing the base acreages either of the States or the Nation?

Mr. SMITH of Iowa. It would not increase the total base acreage. It would not include any authority to change the acreages allotted to any State but would provide authority to adjust acreages between farmers within a county.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Illinois.

Mr. ARENDS. If I understand correctly, this would make possible the adjustment of inequities on the basis of the 1959-60 acreage allotments. It would be in the discretion of the committee to adjust them.

Mr. SMITH of Iowa. That is correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: On page 10, line 12, after the period, strike the balance of line 12 and all of lines 13 through 19.

(By unanimous consent, Mr. BATTIN yielded the time allotted to him to Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, the lines that I propose to strike out read as follows:

Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sum as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1964, and to pay such costs as may be incurred in carrying out paragraph (4) of this subsection.

The reason for my deleting this subsection is to require the Department to come before the Appropriations Committee in justification of these expenditures. This is just another instance of opening up the back door of the Treasury. If this program is to be effective in the year 1964, there is ample opportunity for the people downtown to come up before our subcommittee and justify these expenditures, particularly in this area of administrative expenses. It has been brought out heretofore in the debate that there is \$101 million over a 3-year period in administrative expenses alone in this program. If you want a good accounting, you will get it from your subcommittee chaired by the gentleman from Mississippi [Mr. WHITTEN], and the rest of us serving on that subcommittee. I say the folks downtown ought to justify these expenditures not only to the Appropriations Committee but to all Members of this House and we shall give a good accounting to the people.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MICHEL].

The amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. QUIE].

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, I just want to point out, in closing, the difference between this bill and the 1963 program which is now law. I supported, in the 1963 program, the direct payment because it had the effect of eliminating the authority to the Secretary to buy high and sell low and thereby manipulate the market prices. This proposal, H.R. 4997, gives the Secretary of Agriculture unlimited authority. It was pointed out in the colloquy here between the gentleman from Kansas [Mr. AVERY] and the gentleman from Texas [Mr. POAGE] that the Secretary would not pay an unduly high direct payment because he only wanted to get a certain amount of grain out of production. The Secre-

tary also has authority, I might point out, that no longer will he have to require a 20-percent reduction in acres in order for a farmer to comply. He can make it 10 percent or 1 percent or no percent at all as a requirement for a farmer to comply with this feed grain program and get a direct payment, and that could be at a tremendous expense to the Federal Government.

I proposed the direct payment last year so the Secretary of Agriculture could not sell low after he bought high. It was not to be used as an incentive to reduce acres. The result under the present administration has been that there is an incentive to reduce acres no more than the required 20 percent of a farmer's acres. This should be changed. With the authority given to the Secretary to set the direct payment at any level which he wishes and the required diversion in order to comply at zero, the Secretary can next year change the good voluntary program of the last 3 years into a mandatory program, if this Congress enacts this legislation.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. FINDLEY].

Mr. TEAGUE of California. Mr. Chairman, I ask unanimous consent that the time allotted to me be granted to the gentleman from Illinois [Mr. FINDLEY].

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. FINDLEY. Mr. Chairman, every figure that I have presented here today originated from the statistical warehouse down on Independence Avenue, and did not originate in my own mind. If there is any fiction and if there is any exaggeration, it originated with the statisticians in the Department of Agriculture. Every one of the figures I have cited originates from these two documents, including the figures on this chart which I show you here.

I invite the attention of my colleagues once more to this fact, which I hope you will bear in mind as you think about the next campaign. You are being asked to support a program similar to the one under which in this year the taxpayers are spending over \$8 for every dollar's worth of feed grains that is taken out of the stockpiles.

This proposal is to pay farmers for not growing feed grains. This proposal is to provide loans on crops and finally, believe it or not, this proposal contains a provision under which some farmers can be paid for growing corn that they have never grown before. The next year these farmers can be paid not to raise grain that they have never grown before.

My colleague, this is a pointless, perpetual piece of pump priming and ought to be pitched out.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Chairman, I offer an amendment which I sent to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. GRIFFIN: On page 10, line 9, after the word "established"

and before the period, insert the following: "Provided however, That the authority contained in this section to make payments, for not growing feed grains, to farmers who never grew feed grains, shall only be effective if and when Congress authorizes payments in like amount to residents of urban areas who are willing not to grow feed grains."

Mr. GRIFFIN. Mr. Chairman, this amendment may sound funny, but I suggest that it points up a serious situation so far as this bill is concerned.

A number of years ago an irate taxpayer wrote to his Congressman and wanted to know what kind of hogs were best for not raising so that he could select the most profitable breed not to raise. His inquiry created a considerable amount of interest at the time, but soon it was lost in the maze of Federal farm programs with the explanation that the Government had no obligation or intention to pay someone for not doing something that he was not doing anyway. The taxpayer in question was not a hog raiser.

In the bill before the House, however, the Department of Agriculture breaks a new frontier in Federal farm fantasy by proposing now to pay a farmer for not growing feed grains which the farmer never grew anyway.

You will note on page 9, beginning with line 12 of the bill that a part of the estimated total feed grain bases for all farms in a State may be apportioned to farms on which there were no acreage devoted to feed grains in the base crop years of 1959 and 1960.

Under the bill, the acreage base established for each such farm shall be deemed to have been devoted to feed grains on the farm during the crop years 1959 and 1960. The bill then indicates that a producer on such a farm would not be eligible for conservation payments for the first year but that he would be eligible thereafter to receive payments for not growing feed grains.

We are now in the third year of paying feed grain farmers not to grow corn, grain sorghum, and barley. But, until now, we have at least been paying farmers who actually grew corn, grain sorghum, and barley not to grow those grains. To my knowledge, the Government has never before paid farmers for not growing commodities which they did not grow anyway.

Here is how the provision in this bill would work in practice. A farmer who never grew feed grains could be assigned a base from the Department of Agriculture of, let us say, 100 acres. In 1965 he could idle up to one-half of that base or 50 acres, and even though he was not a contributor to the surplus situation, he could then be paid not to grow grain which he never grew anyway.

Mr. Chairman, there are a lot of city people in this country who are willing not to grow feed grains. If the Congress is going to pass ridiculous legislation of this kind, then it seems to me, as my amendment suggests, that perhaps we should be fair and authorize similar payments to city folks as well.

Mr. POAGE. Mr. Chairman, I think it is perfectly obvious that this is simply a facetious amendment. This provision of the bill is intended to provide for new

growers of feed grains. A similar provision is in practically every farm program.

The CHAIRMAN. Permit the Chair to state to the gentleman from Texas that he may use his 1 minute at this time, if he chooses to do so, but the Chair has yet to recognize one more Member, the gentleman from Indiana [Mr. HARVEY].

Mr. POAGE. I thank the Chairman.

Mr. Chairman, I reserve the balance of my time.

Mr. GRIFFIN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GRIFFIN. When do we vote on my amendment?

The CHAIRMAN. In about a minute.

The Chair recognizes the gentleman from Indiana [Mr. HARVEY].

(Mr. HARVEY of Indiana asked and was given permission to revise and extend his remarks.)

Mr. HARVEY of Indiana. Mr. Chairman, in moving to recommit the feed grain bill—H.R. 4997—I do so with some reluctance for in this piece of legislation is some that is good as well as some that is not. For one thing, I have historically argued that we cannot dispose of our grain surpluses abroad as easily as we do other farm commodities such as cotton or tobacco or wheat. So in recent years, the last 3 in fact, we have begun to treat this commodity as a distinct problem and approach it on about the only basis it can be treated. By this I mean the process of using the surplus as an incentive to producers; in other words, we say to the producers—Please reduce the number of acres you have historically been producing and take a portion of what those acres would have produced instead, from the storage bins the Government has filled in the past.

In this bill also is the voluntary feature which the grain and livestock farmers have insisted they prefer. Whereas the cotton and tobacco growers of the South have historically been amenable to a compulsory type program, the farmers of Indiana and other such States have said most emphatically they want no part of a straitjacket. So in the very beginning, I want, in fairness, to emphasize that this bill does embody some desirable features. I only wish it had not the undesirable ones also which I will enumerate.

As a grain and livestock farmer myself, I would say that the most objectionable feature of this bill is that it is premature. Since it has been my pleasure to serve in the House, I have opposed the so-called certificate plan for dealing with the wheat surplus problem. Despite my opposition this plan will be submitted to farmers within a month. Now the outcome of this referendum will have a very distinct bearing upon grain and livestock farmers. The reason is that the proposed certificate plan will provide for three markets for the wheat we produce. Part will go to make the bread and pastries we use within our own borders, part will go to supply such foreign markets as we can garner. The balance will be sold for livestock feed in

competition with our feed grain. It will simply add another depressing load on an already overburdened phase of our economy. Actually it will be simply shifting the burden and problem rather than solving one. This surplus wheat will be sold at whatever it can bring while providing a high price support for the rest. This is not good even for the wheat farmer in the long run although it may look attractive at first glance.

The point I want to make in my argument to the House is that this wheat referendum will be held shortly and we should not move to act on this legislation until we know what the wheat outcome is. The argument will be offered that nothing in this bill will be affected by the wheat referendum but this just is not true.

The second most objectionable feature is that it departs from what is ostensibly an extension of the type of programs we have had during 1961–62. On the surface it has the desirable feature mentioned previously in that it is a voluntary type of program. Actually, however, these outward semblances are cleverly camouflaged to disguise some dangerous provisions. We have historically in the Congress—for better or worse—held that we should draft the provisions of our programs and then expect the Secretary to administer them. In this instance, however, we are delegating to him unwarranted authority. He could at his own pleasure set prices at any figure between 65 and 90 percent of parity. Standing alone the concept of flexible price supports is not an unsound one, but this provision does not stand alone. By giving the Secretary virtually unlimited authority to combine the direct payment and the loan level, the bill gives him practically unlimited authority over not only the market price of feed grain, but also a significant portion of the annual amount of income to be received by 3,700,000 feed grain farmers. The political temptation to use such authority arbitrarily would be too much to grant any Secretary.

In addition this program continues a feature added to the 1963 act which was not in the 1961 or 1962 Feed Grain Act. This is the compensatory or Brannan-type payment to complying farmers. To the uninitiated this may seem an innocuous enough arrangement but therein lies the danger. For while this particular bill has a time limitation of 2 years, there is every evidence that the original provision making it permanent legislation may finally come back in the conference report if this bill is approved. The result of such action will be to force the farmers from now on to come to Washington each and every year to receive a part of their income. As obnoxious as this would be it would also place the farmer in the position of looking to Washington instead of the marketplace for his income. His historic independence would be gone. It is also a form of back-door spending which the Congress is trying to avoid.

Lastly and certainly not least you should evaluate carefully the cost of this legislation. It is not a cheap item in our budget. The program can and

should be accomplished in a more economical fashion if it is returned to the committee. For example, payments in 1963 will be \$983 million. In 1961 payments were \$782 million to accomplish the same purpose for almost the same amount of acres. Important as it is to act on farm matters, this is not a crash-type operation justifying such an expensive plan. It is my hope that the House will approve my motion to recommit and give us an opportunity to come up with a better answer.

The CHAIRMAN. The gentleman from Texas [Mr. POAGE] is recognized for approximately 30 seconds.

Mr. POAGE. Mr. Chairman, the motion to recommit will be the crux of this bill. There is no reason for anyone to feel that he can vote for the motion to recommit and then say that he is in favor of a feed grain bill. If you desire a feed grain bill vote against the motion to recommit.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. GRIFFIN].

The question was taken, and on a division (demanded by Mr. GRIFFIN) there were ayes 124, noes, 151.

So the amendment was rejected.

The Clerk read as follows:

SEC. 4. Section 326 of the Food and Agriculture Act of 1962, as amended, is amended by deleting the word "and" immediately preceding "(g)" and inserting immediately after "(g)" the following: "and (h)".

The CHAIRMAN. Under the rule the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. WRIGHT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 4997) to extend the feed grain program, pursuant to House Resolution 320, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. HARVEY of Indiana. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HARVEY of Indiana. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. HARVEY of Indiana moves to recommit the bill H.R. 4997 to the Committee on Agriculture.

Mr. POAGE. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. HARVEY of Indiana. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 196, nays 205, not voting 32, as follows:

[Roll No. 29]
YEAS—196

| | | |
|----------------|----------------|----------------|
| Abele | Foreman | Murray |
| Adair | Frelinghuysen | Neisen |
| Addabbo | Fulton, Pa. | Norblad |
| Aiger | Gavin | Nygaard |
| Anderson | Goodell | Osmers |
| Arends | Goodling | Ostertag |
| Ashbrook | Griffin | Passman |
| Avery | Gross | Pelly |
| Baker | Grover | Pike |
| Baldwin | Gubser | Pillion |
| Baring | Gurney | Pirnie |
| Barry | Haley | Poff |
| Bates | Hall | Pool |
| Battin | Halleck | Quile |
| Becker | Halpern | Quillen |
| Beckworth | Harding | Reid, Ill. |
| Beermann | Harrison | Reid, N.Y. |
| Belcher | Harsha | Reifel |
| Beli | Harvey, Ind. | Rhodes, Ariz. |
| Bennett, Mich. | Harvey, Mich. | Rhodes, Pa. |
| Berry | Herlong | Riehlman |
| Bolton | Hoeven | Robison |
| Frances P. | Hoffman | Roudebush |
| Bolton | Horan | Rumsfeld |
| Oliver P. | Horton | St. George |
| Bow | Hosmer | St. Germain |
| Bray | Hutchinson | Saylor |
| Brock | Jensen | Schadeberg |
| Bromwell | Johansen | Schenck |
| Brotzman | Jonas | Schneebell |
| Brown, Ohio | Keith | Schweiker |
| Broyhill, N.C. | Kilburn | Schwengel |
| Broyhill, Va. | King, N.Y. | Short |
| Bruce | Knox | Shriver |
| Burton | Kornegay | Sibal |
| Byrnes, Wis. | Kunkel | Siler |
| Cahill | Kyl | Skubitz |
| Casey | Laird | Smith, Calif. |
| Cederberg | Langen | Snyder |
| Chamberlain | Latta | Springer |
| Chenoweth | Lindsay | Stafford |
| Clancy | Lipcomb | Stinson |
| Clark | Lloyd | Taft |
| Clausen | McClory | Talcott |
| Cleveland | McCulloch | Taylor |
| Collier | McDade | Teague, Calif. |
| Colmer | McIntire | Teague, Tex. |
| Conte | McLoskey | Thomson, Wis. |
| Corbett | MacGregor | Tolliefson |
| Cramer | Mailliard | Tuck |
| Cunningham | Marsh | Tupper |
| Curtin | Martin, Calif. | Utt |
| Curtis | Martin, Mass. | Van Pelt |
| Dague | Martin, Nebr. | Waggonner |
| Derounian | Mathias | Walahauser |
| Derwinski | May | Watson |
| Devine | Meador | Weltner |
| Dole | Michel | Westland |
| Dorn | Miller, N.Y. | Whalley |
| Dowdy | Milliken | Wharton |
| Dwyer | Minshall | Williams |
| Elisworth | Monagan | Wilson, Bob |
| Findley | Moore | Wilson, Ind. |
| Fino | Morse | Wydler |
| Fogarty | Morton | Wyman |
| Ford | Mosher | Younger |

NAYS—205

| | | |
|---------------|---------------|---------------|
| Abbitt | Cooley | Fuqua |
| Abernethy | Corman | Gallagher |
| Albert | Daddario | Garmatz |
| Andrews | Daniels | Gary |
| Ashmore | Davis, Ga. | Gathings |
| Aspinall | Davis, Tenn. | Gialmo |
| Barrett | Dawson | Gibbons |
| Bass | Delaney | Gilbert |
| Bennett, Fla. | Denton | Gill |
| Biatnik | Diggs | Gonzalez |
| Boggs | Dingell | Grabowski |
| Boland | Donohue | Grant |
| Bolling | Downing | Gray |
| Bonner | Dulski | Green, Oreg. |
| Brademas | Duncan | Green, Pa. |
| Brooks | Edmondson | Griffiths |
| Brown, Calif. | Edwards | Hagan, Ga. |
| Buckley | Everett | Hagen, Calif. |
| Burke | Evins | Hanna |
| Burkhalter | Fallon | Hansen |
| Burleson | Farbstein | Hardy |
| Byrne, Pa. | Feighan | Harris |
| Cameron | Finnegan | Hawkins |
| Cannon | Flood | Hechler |
| Carey | Fountain | Hemphill |
| Chief | Friedel | Henderson |
| Cohelan | Fulton, Tenn. | Hollifield |

| | | |
|----------------|---------------|----------------|
| Holland | Moss | St. Onge |
| Huddleston | Multer | Scott |
| Hull | Murphy, Ill. | Secrest |
| Ichord | Murphy, N.Y. | Selden |
| Jarman | Natcher | Senner |
| Jennings | Nedzi | Shipley |
| Joelson | Nix | Sickles |
| Johnson, Wis. | O'Brien, Ill. | Sikes |
| Jones, Ala. | O'Brien, N.Y. | Slack |
| Jones, Mo. | O'Hara, Ill. | Smith, Iowa |
| Karsten | O'Hara, Mich. | Smith, Va. |
| Karth | Olsen, Mont. | Staebler |
| Kastenmeier | Olsen, Minn. | Steed |
| Kee | O'Neill | Stephens |
| Kelly | Patman | Stratton |
| Keogh | Patten | Stubblefield |
| Kilgore | Pepper | Sullivan |
| King, Calif. | Perkins | Thomas |
| Kirwan | Philbin | Thompson, La. |
| Kluczynski | Pilcher | Thompson, N.J. |
| Landrum | Poage | Thompson, Tex. |
| Lankford | Powell | Thornberry |
| Leggett | Price | Toll |
| Lesinski | Pucinski | Trimble |
| Libonati | Purcell | Tuten |
| Long, La. | Rains | Udall |
| Long, Md. | Randall | Ullman |
| McDowell | Reuss | Van Deerlin |
| McFall | Rivers, S.C. | Vanik |
| McMillan | Roberts, Ala. | Vinson |
| Madden | Roberts, Tex. | Watts |
| Mahon | Rodino | White |
| Matsunaga | Rogers, Colo. | Whitener |
| Matthews | Rogers, Fla. | Whitten |
| Miller, Calif. | Rogers, Tex. | Wickersham |
| Milis | Rooney | Wilson |
| Minish | Rosenthal | Charles H. |
| Montoya | Rostenkowski | Winstead |
| Moorhead | Roush | Wright |
| Morgan | Roybal | Young |
| Morris | Ryan, Mich. | Zablocki |
| Morrison | Ryan, N.Y. | |

NOT VOTING—32

| | | |
|-------------|-----------------|----------------|
| Ashley | Forrester | Rivers, Alaska |
| Auchincloss | Fraser | Roosevelt |
| Ayres | Glenn | Shelley |
| Betts | Hays | Sheppard |
| Broomfield | Hcaley | Sisk |
| Celler | Hébert | S'aggers |
| Dent | Johnson, Calif. | Walter |
| Elliott | Lennon | Weaver |
| Fascell | Macdonald | Widnall |
| Fisher | O'Konski | Willis |
| Flynt | Rich | |

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Broomfield for, with Mr. Walter against.
Mr. Rich for, with Mr. Hébert against.
Mr. Auchincloss for, with Mr. Roosevelt against.
Mr. Weaver for, with Mr. Fascell against.
Mr. Glenn for, with Mr. Celler against.
Mr. Betts for, with Mr. Rivers of Alaska against.
Mr. Ayres for, with Mr. Shelley against.
Mr. Widnall for, with Mr. Sheppard against.
Mr. Fisher for, with Mr. Willis against.
Mrs. Staggers for, with Mr. Fraser against.
Mr. Johnson of California for, with Mr. Sisk against.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. PELLY. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 208, nays 196, not voting 29, as follows:

[Roll No. 30]
YEAS—208

| | | |
|---------------|---------------|------------|
| Abbitt | Biatnik | Burkhalter |
| Abernethy | Boggs | Byrne, Pa. |
| Addabbo | Boland | Cameron |
| Albert | Bolling | Cannon |
| Andrews | Bonner | Carey |
| Ashmore | Brademas | Chief |
| Aspinall | Brooks | Cohelan |
| Barrett | Brown, Calif. | Colmer |
| Bass | Buckley | Cooley |
| Bennett, Fla. | Burke | Corman |

| | | |
|---------------|----------------|----------------|
| Daddario | Karsten | Reuss |
| Daniels | Karth | Rivers, S.C. |
| Davis, Ga. | Kastenmeier | Roberts, Ala. |
| Davis, Tenn. | Kee | Roberts, Tex. |
| Dawson | Kelly | Rodino |
| Delaney | Keogh | Rogers, Colo. |
| Denton | King, Calif. | Rogers, Tex. |
| Diggs | Kirwan | Rooney |
| Dingell | Kluczynski | Rosenthal |
| Donohue | Kornegay | Rostenkowski |
| Downing | Landrum | Roush |
| Dulski | Lankford | Roybal |
| Duncan | Leggett | Ryan, Mich. |
| Edmondson | McFall | Ryan, N.Y. |
| Edwards | McMillan | St. Onge |
| Everett | Libonati | Scott |
| Evins | Long, La. | Secrest |
| Fallon | McDowell | Selden |
| Farbstein | McFall | Senner |
| Finnegan | Madden | Shipley |
| Flood | Mahon | Sickles |
| Fountain | Matsunaga | Sikes |
| Friedel | Matthews | Slack |
| Fulton, Tenn. | Miller, Calif. | Smith, Iowa |
| Fuqua | Milis | Smith, Va. |
| Gallagher | Minish | Staebler |
| Garmatz | Montoya | Steed |
| Gary | Moorhead | Stephens |
| Gathings | Morgan | Stratton |
| Gialmo | Morris | Stubblefield |
| Gibbons | Morrison | Sullivan |
| Gilbert | Moss | Taylor |
| Gill | Multer | Thomas |
| Gonzalez | Murphy, Ill. | Thompson, La. |
| Grabowski | Murphy, N.Y. | Thompson, N.J. |
| Gray | Natcher | Thompson, Tex. |
| Green, Oreg. | Nedzi | Thornberry |
| Green, Pa. | Nix | Toll |
| Griffiths | O'Brien, Ill. | Trimble |
| Hagan, Ga. | O'Brien, N.Y. | Tuck |
| Hagen, Calif. | O'Hara, Ill. | Tuten |
| Hanna | O'Hara, Mich. | Udall |
| Hansen | O'Konski | Ullman |
| Hardy | Olsen, Mont. | Van Deerlin |
| Harris | Olson, Minn. | Vanik |
| Hawkins | O'Neill | Vinson |
| Hechler | Passman | Watson |
| Hemphill | Patman | Watts |
| Henderson | Patten | White |
| Hollifield | Pepper | Whitener |
| Holland | Perkins | Whitten |
| Huddleston | Philbin | Wickersham |
| Hull | Pilcher | Willis |
| Ichord | Poage | Wilson |
| Jarman | Powell | Charles H. |
| Jennings | Price | Winstead |
| Joelson | Pucinski | Wright |
| Johnson, Wis. | Purcell | Young |
| Jones, Ala. | Rains | Zablocki |
| Jones, Mo. | Randall | |

NAYS—196

| | | |
|----------------|---------------|----------------|
| Abele | Cleveland | Herlong |
| Adair | Collier | Hoeven |
| Alger | Conte | Hoffman |
| Anderson | Corbett | Horan |
| Arends | Cramer | Horton |
| Ashbrook | Cunningham | Hosmer |
| Avery | Curtin | Hutchinson |
| Baker | Dague | Jensen |
| Baldwin | Dent | Johansen |
| Baring | Derounian | Jonas |
| Barry | Derwinski | Keith |
| Bates | Devine | Kilburn |
| Battin | Dole | Kilgore |
| Becker | Dorn | King, N.Y. |
| Beckworth | Dowdy | Knox |
| Beermann | Dwyer | Kunkel |
| Belcher | Ellsworth | Kyl |
| Beil | Feighan | Laird |
| Bennett, Mich. | Findley | Langen |
| Berry | Fino | Latta |
| Bolton | Fogarty | Lindsay |
| Frances P. | Ford | Lipcomb |
| Bolton | Foreman | Lloyd |
| Oliver P. | Frelinghuysen | Long, Md. |
| Bow | Fulton, Pa. | McClory |
| Bray | Gavin | McCulloch |
| Brock | Glenn | McDade |
| Bromwell | Goodell | McIntire |
| Brotzman | Goodling | McLoskey |
| Brown, Ohio | Grant | MacGregor |
| Broyhill, N.C. | Griffin | Mailliard |
| Broyhill, Va. | Gross | Marsh |
| Bruce | Grover | Martin, Calif. |
| Burleson | Gubser | Martin, Mass. |
| Burton | Gurney | Martin, Nebr. |
| Byrnes, Wis. | Haley | Mathias |
| Cahill | Hall | May |
| Cahey | Halleck | Meador |
| Cederberg | Halpern | Michel |
| Chamberlain | Harding | Miller, N.Y. |
| Chenoweth | Harrison | Milliken |
| Clancy | Harsha | Minshall |
| Clark | Harvey, Ind. | Monagan |
| Clausen | Harvey, Mich. | Moore |

| | | |
|---------------|---------------|----------------|
| Morse | Riehlman | Stinson |
| Morton | Robison | Taft |
| Mosher | Rogers, Fla. | Talcott |
| Murray | Roudebush | Teague, Calif. |
| Nelsen | Rumsfeld | Teague, Tex. |
| Norblad | St. George | Thomson, Wis. |
| Nygaard | St Germain | Tollefson |
| Osmer | Saylor | Tupper |
| Ostertag | Schadeberg | Utt |
| Pelly | Schenck | Van Pelt |
| Pike | Schneebeli | Waggoner |
| Pillion | Schweiker | Wallhauser |
| Pirnie | Schwengel | Weltner |
| Poff | Short | Westland |
| Pool | Shriver | Whalley |
| Quie | Sibal | Wharton |
| Quillen | Siler | Williams |
| Reid, Ill. | Skubitz | Wilson, Bob |
| Reid, N.Y. | Smith, Calif. | Wilson, Ind. |
| Reifel | Snyder | Wydler |
| Rhodes, Ariz. | Springer | Wymann |
| Rhodes, Pa. | Stafford | Younger |

NOT VOTING—29

| | | |
|-------------|-----------------|----------------|
| Ashley | Flynt | Rivers, Alaska |
| Auchincloss | Forrester | Roosevelt |
| Ayres | Fraser | Shelley |
| Betts | Hays | Sheppard |
| Broomfield | Healey | Sisk |
| Celler | Hébert | Staggers |
| Curtis | Johnson, Calif. | Walter |
| Elliott | Lennon | Weaver |
| Fascell | Macdonald | Widnall |
| Fisher | Rich | |

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Walter for, with Mr. Auchincloss against.

Mr. Hébert for, with Mr. Weaver against.

Mr. Roosevelt for, with Mr. Glenn against.

Mr. Fascell for, with Mr. Widnall against.

Mr. Celler for, with Mr. Betts against.

Mr. Rivers of Alaska for, with Mr. Ayres against.

Mr. Shelley for, with Mr. Broomfield against.

Mr. Sheppard for, with Mr. Curtis against.

Mr. Sisk for, with Mr. Johnson of California against.

Mr. Fraser for, with Mr. Fisher against.

Mr. Healey for, with Mr. Staggers against.

Until further notice:

Mr. Ashley with Mr. Rich.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members who spoke today be permitted to revise and extend their remarks, and that all Members have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROGRAM FOR THE BALANCE OF THE WEEK AND FOR THE WEEK OF MONDAY, APRIL 29

(Mr. HALLECK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HALLECK. Mr. Speaker, I take this time for the purpose of inquiring of the majority leader as to the program, if any, for the balance of the week and for next week.

Mr. ALBERT. Mr. Speaker, will the distinguished minority leader yield?

Mr. HALLECK. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Mr. Speaker, we are not going to program any further legislative business for this week.

The program for the week of April 29 is as follows:

On Monday, H.R. 4655, reduction of temporary additional Federal unemployment tax and authorization of employment security administrative expenses. Closed rule—2 hours.

H.R. 1762, outdoor recreation, coordinate programs. Open rule—1 hour.

H.R. 3120, simplify administration of Lead-Zinc Small Producers Stabilization Act. Open rule—1 hour.

On Tuesday, 1964 appropriations bill for the Department of Labor and the Department of Health, Education and Welfare.

For Wednesday and the balance of the week, H.R. 3872, Export-Import Bank Act Extension. Open rule—2 hours.

H.R. 5207, amend Foreign Service Buildings Act. Open rule—3 hours.

This, of course, is made with the customary reservation that conference reports may be brought up at any time, and that any further program may be announced later.

ADJOURNMENT OVER

Mr. ALBERT. Mr. Speaker, in view of my previous announcement, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

DISPENSING WITH THE CALENDAR WEDNESDAY BUSINESS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to dispense with the business in order under the Calendar Wednesday rule on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

AMENDMENT TO THE AREA REDEVELOPMENT ACT—HELPING COMMUNITIES TO HELP THEMSELVES

(Mr. RHODES of Pennsylvania asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. RHODES of Pennsylvania. Mr. Speaker, the Area Redevelopment Act, passed during the 1st session of the 87th Congress, has been successful in helping many economically depressed communities regain lost jobs and lost productivity. This act has withstood the test of practical operation and deserves continued support by the Congress.

I am today introducing an amendment to the Area Redevelopment Act which will improve the operation and administration of section 11 of the act. My amendment gives the ARA the au-

thority to provide funds for general studies of the economic resources of a depressed area and further provides that the ARA can circulate the results of such studies to interested firms who want to expand.

Under present law, the Area Redevelopment Administration can advance a limited amount of planning funds only after a local government has requested them for the use of an interested industry desiring to locate in the community. My amendment will permit the ARA to extend even more beneficial assistance to areas which want to identify their economic assets and shortcomings. It will not only help attract new industries to areas of substantial unemployment, it will help these areas identify the resources they possess to create home-grown jobs and businesses.

CORRECTION OF THE RECORD

Mr. MACGREGOR. Mr. Speaker, in the RECORD for April 24 at page 6537, in the second column, the word "know" should be "known." I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

(Mr. HOSMER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. HOSMER'S remarks will appear hereafter in the Appendix.]

KENNEDY FAILS AGAIN TO MEET SOVIET CHALLENGE

(Mr. ALGER (at the request of Mr. LANGEN) asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ALGER. Mr. Speaker, the world press today is carrying another story of the Kennedy administration's failure in maintaining a strong and effective policy in dealing with the Soviet Union.

You cannot do business with Khrushchev and the Communists. Negotiations end in stalemate, appeasement, or the new term accommodation, meaning, we agree to the Communist demands. Yet when we do agree to Communist terms, they up their demands.

Look at the recent test ban talks and agreements as our example. Here is what the President says:

The Prime Minister and I wrote to Chairman Khrushchev in an effort to see if we could develop some means by which we could bring this matter to a climax and see if we could reach an accord, which we feel to be in the interest of the nuclear powers, the present nuclear powers, to prevent diffusion. But, as I say, I am not sanguine and this represents not a last effort but a very determined effort to see if we can prevent failure from coming upon us this spring.

Here are the facts: Premier Khrushchev has offered only two or three inspections annually, and then only under the most restrictive conditions,

actually exempting from inspection any area declared by the Kremlin to be a military area.

When negotiations began in 1958, 20 inspections annually were demanded. The Kennedy administration dropped demands to "10 to 12," then to 7. Although the presently reported concession averages $4\frac{1}{4}$ inspections annually, the effective number would actually be Khrushchev's demanded 3. This is because inspections could not reasonably be consumed on an annual basis, but must be reserved by at least 25 percent to use if needed during a period of greater suspicion during the last portion of the 7 years. We concede; they demand more.

Worse yet, or most dangerous of all, here is the final blow. Suppose Khrushchev and the Communists make a deal, signed, sealed, and delivered. They make deals only to break them. We honor ours. Only a firm, unbending dedication to protection of U.S. sovereignty can protect us with no deals, no appeasement, no accommodation—and no opportunity for them to break a promise.

REAL DEFINITION OF URBAN RENEWAL HIDDEN BY PROGRESS

(Mr. DERWINSKI (at the request of Mr. LANGEN) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DERWINSKI. Mr. Speaker, the Federal urban renewal program is subject to increasing controversy and many of us feel that a thorough investigation of the operation is long overdue.

An interesting commentary of the urban renewal program appeared in the April 17 issue of the Summit Valley Times. It is an article written by its staff columnist, Lyn Daunoras.

This is a thought-provoking commentary and I place it in the RECORD, feeling that it contributes to the attention given to this subject:

REAL DEFINITION OF URBAN RENEWAL HIDDEN BY PROGRESS (By Lyn Daunoras)

Every once in a while we get to wondering how urban renewal will be written up in textbooks.

No doubt, it will be defined as a means of attaining progress by use of Federal funds to tear down slums of which a city could not otherwise rid itself on a local basis because of the tremendous cost involved. This would be a true enough definition on the surface.

But we wonder if anything will be said about the real meaning of urban renewal—the uprooting and dispersal—like they were cattle—of people who have neither the stamina nor the capital to move on to more desirable areas.

We read a story in the Daily News recently about the Harrison-Halsted residents who are hanging on tenaciously to their property and waging a bitter, but futile, battle to retain their homes instead of having them fall to make way for the progressive new University of Illinois.

When we came to the end of it, we felt just a little nauseated at the circumstances that have wrenched away the life earnings and security of these people and compelled them to start over again at age when they looked forward to some well-deserved rest and peace.

The attitude of the urban renewal officials was unbelievably callous. "If they would only make the move they will find they like it after all," they say. What a lack of understanding of human nature. When a man is offered \$7,000 for his paid-up home, however humble, where can he buy another home for the equivalent sum?

Today, \$7,000 makes a fair down payment. To have mortgage payments (presuming at that age he can even get a mortgage) to contend with again is more than some folks can bear and it is brutal to thrust such a situation onto them.

To quote a housing official on the Harrison-Halsted matter: "Most of the hundreds of families already relocated are pleased with their new homes and new neighborhoods. Many of the families moved to the vicinity of Austin and north. Some bought new homes—but to do so, some mothers had to go to work. Families doubled up in other instances."

Said with pride. Aren't they the lucky ones—they can now live two families under a roof or with the mother going to work for the first time in order to afford the homes they were forced into buying. So the city exchanges its problem of slums for a potential problem in mental health and juvenile delinquency. That's progress.

As to clearing the slums—the necessity for razing an area has always seemed rather unfounded. For many years we had been anxious to visit New Orleans because we had heard of its romantic atmosphere, its old-world traditions, and its culinary artistry. When we finally got there, we headed right for the famous French Quarter, about which some millions of words have been written and songs composed.

I don't believe I will ever quite forget my first feeling at observing this world-famous section of New Orleans. It was old-world, it was "different," all right. Nevertheless, as we stood there gazing about us I couldn't help but comment. "We have a French Quarter back home, too, only we call it the slums."

The charm of European countries lay in its old buildings and the older they are, the more picturesque. Can you imagine these countries—for that matter, New Orleans—clearing away all these old buildings to make way for progress? What would be their tourist highlight? Yet tourists who gasp at the slums here at home will go to these other places and be charmed by the same type of row buildings with outside paint peeling and roofs sinking.

The inconsistencies of man.

STILL ON THE BOOKS

(Mr. DERWINSKI (at the request of Mr. LANGEN) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DERWINSKI. Mr. Speaker, now that the Ways and Means Committee has finished its public hearings, it is conducting its necessary, thorough scrutiny of the President's tax message. It is practical to call to the attention of the House the methods of tax reduction which could avoid the controversial pitfalls that face the administration's proposals.

I refer to the repeal of war time excise taxes as the proper approach to tax reduction.

The Lemont, a community newspaper serving Lemont, Ill., discussed this issue in a concise and logical editorial in its April 18, issue. I place the item in the RECORD hoping that the clarity of

expression will draw the attention of House Members:

STILL ON THE BOOKS

A special task force of the American Retail Federation is campaigning for repeal of the wartime excise taxes. It deserves all success.

These taxes, among others, were imposed as an emergency measure during World War II, and it was universally believed that a repeal would come with the war's end. But some 18 years have passed and the taxes are still being levied.

In some areas, at long last, such unfair and discriminatory taxes have been repealed. For instance, the taxes on rail and bus tickets and freight shipments were dropped, and the tax on air fares was halved.

But the retail excise taxes remain. They are applied to a lengthy list of articles—leather goods, cosmetics, certain kinds of office machinery, furs, and jewelry. These articles, for the most part, can hardly be considered needless luxuries in a nation like ours. They are a part of a way of life. They contribute to living standards. And they are almost universally bought and used.

Tax reform is now a principal topic of discussion and debate. One of the best places to start is with a set of emergency excise taxes which are still on the books almost a generation after the emergency's end.

WHAT I CAN DO FOR MY COUNTRY

(Mr. DERWINSKI (at the request of Mr. LANGEN) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DERWINSKI. Mr. Speaker, in an essay contest conducted by the Argo, Ill., VFW, an outstanding young lady, Michelle Kristie, submitted the winning essay which is certainly meritorious in every respect.

I am proud to submit this article for the RECORD feeling that it reflects the spirit and determination of young Americans everywhere. It is an inspirational work by the type of student that will surely play a major role in the expansion of our Nation.

The article follows:

WHAT I CAN DO FOR MY COUNTRY

By Michelle Kristie, age 16, 7237 West 62d Street, Argo, Argo High School student; first prize, VFW essay contest winner)

As a student there isn't very much I could do for my country but I can begin by learning as much about my Government as possible.

I could study the Constitution, be active in local youth programs, and follow the rules and codes of a junior citizen by keeping all the laws that the school and the town have set up for people my age.

As an adult the best way to help my country would be to participate in local and national elections. By participating in elections, I do not mean that by casting a vote would be enough. Before I'd cast my ballot I'd read as much as I could about the parties, and the people representing them. By becoming familiar with the various platforms of those running for office, I would be able to cast my ballot with confidence and not use guesswork.

The newspapers are a good source of information and through them I would be able to gather enough facts to choose the man I feel, would help my country most.

However, voting in all elections would not be enough, there are other ways a person can help his country. I could never be a

88TH CONGRESS
1ST SESSION

H. R. 4997

IN THE SENATE OF THE UNITED STATES

APRIL 30, 1963

Read twice and referred to the Committee on Agriculture and Forestry

AN ACT

To extend the feed grain program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Feed Grain Act of 1963."

4 SEC. 2. Section 105 of the Agricultural Act of 1949, as
5 amended, is amended—

6 (1) by changing the period at the end of subsec-
7 tion (a) to a colon and adding the following: "*Provided,*
8 That in the case of any crop for which an acreage diver-
9 sion program is in effect for feed grains, the level of
10 price support for corn of such crop shall be at such level
11 not less than 65 per centum or more than 90 per centum

1 of the parity price therefor as the Secretary determines
2 necessary to achieve the acreage reduction goal estab-
3 lished by him for the crop.”

4 (2) by adding the following new subsection (d) :

5 “(d) The provision of this subsection shall be applicable
6 with respect to the 1964 crop and the 1965 crop of
7 feed grains if an acreage diversion program is in effect
8 under section 16 (h) of the Soil Conservation and Domestic
9 Allotment Act, as amended. The Secretary shall require
10 as a condition of eligibility for price support on the crop
11 of any feed grain which is included in the acreage diversion
12 program that the producer shall participate in the diversion
13 program to the extent prescribed by the Secretary, and, if
14 no diversion program is in effect for the 1964 crop or
15 the 1965 crop, he may require as a condition of eligibility
16 for price support on such crop of feed grains that the
17 producer shall not exceed his feed grain base: *Provided,*
18 That the Secretary may provide that no producer of malting
19 barley shall be required as a condition of eligibility for price
20 support for barley to participate in the acreage diversion
21 program for feed grains if such producer has previously pro-
22 duced a malting variety of barley, plants barley only of an
23 acceptable malting variety for harvest, does not knowingly
24 devote an acreage on the farm to barley in excess of 110 per
25 centum of the average acreage devoted on the farm to barley

1 in 1959 and 1960, does not knowingly devote an acreage on
2 the farm to corn and grain sorghums in excess of the average
3 acreage devoted on the farm to corn and grain sorghums in
4 1959 and 1960, and does not devote any acreage devoted
5 to the production of oats and rye in 1959 and 1960 to the
6 production of wheat pursuant to the provisions of section 328
7 of the Food and Agriculture Act of 1962. Such portion of
8 the support price for any feed grain included in the acreage
9 diversion program as the Secretary determines desirable to
10 assure that the benefits of the price support and diversion
11 programs inure primarily to those producers who cooperate
12 in reducing their acreage of feed grains shall be made avail-
13 able to producers through payments in kind. Such payments
14 in kind shall be made on the number of bushels of such feed
15 grain determined by multiplying the actual acreage of such
16 feed grain planted on the farm for harvest by the adjusted
17 average yield per acre. The base period used in determining
18 such adjusted average yield shall be the same as that used
19 for purposes of the acreage diversion program formulated
20 under section 16 (h) of the Soil Conservation and Domestic
21 Allotment Act, as amended. The Secretary may make not
22 to exceed 50 per centum of any payments hereunder to
23 producers in advance of determination of performance. Such
24 payments in kind shall be made through the issuance of
25 negotiable certificates which the Commodity Credit Corpora-

tion shall redeem for feed grains (such feed grains to be valued by the Secretary at not less than the current support price minus that part of the current support price made available through payments in kind, plus reasonable carrying charges) and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. The Secretary shall provide for the sharing of such certificates among the producers on the farm on the basis of their respective shares in the crop produced on the farm with respect to which such certificates are issued, or the proceeds therefrom. If the operator of the farm elects to participate in the acreage diversion program, price support for feed grains included in the program shall be made available to the producers on such farm only if such producers divert from the production of such feed grains in accordance with the provisions of such program an acreage on the farm equal to the number of

1 acres which such operator agrees to divert, and the agree-
2 ment shall so provide.”

3 SEC. 3. Section 16 of the Soil Conservation and Domes-
4 tic Allotment Act, as amended, is amended by adding the
5 following new subsection:

6 “(h) Notwithstanding any other provision of law—

7 “(1) For the 1964 crop and the 1965 crop of feed
8 grains, if the Secretary determines that the total supply
9 of feed grains will, in the absence of an acreage diversion
10 program, likely be excessive, taking into account the
11 need for an adequate carryover to maintain reasonable
12 and stable supplies and prices of feed grains and to meet
13 any national emergency, he may formulate and carry
14 out an acreage diversion program for feed grains, with-
15 out regard to provisions which would be applicable to
16 the regular agricultural conservation program, under
17 which, subject to such terms and conditions as the Secre-
18 tary determines, conservation payments in amounts de-
19 termined by the Secretary to be fair and reasonable shall
20 be made to producers who divert acreage from the pro-
21 duction of feed grains to an approved conservation use
22 and increase their average acreage of cropland devoted in
23 1959 and 1960 to designated soil-conservation crops or
24 practices including summer fallow and idle land by an

1 equal amount. Payments shall not be made in amounts
2 in excess of 50 per centum of the estimated basic county
3 support rate, including that part of the support price
4 made available through payments in kind, on the normal
5 production of the acreage diverted from the commodity
6 on the farm based on its adjusted average yield per
7 acre. Notwithstanding the foregoing provisions, the
8 Secretary may permit such diverted acreage to be de-
9 voted to the production of guar, sesame, safflower, sun-
10 flower, castor beans, mustard seed, and flax, if he de-
11 termines that such crops are not in surplus supply and
12 will not be in surplus supply if permitted to be grown
13 on the diverted acreage, subject to the condition that
14 payment with respect to diverted acreage devoted to any
15 such crop shall be at a rate determined by the Secretary
16 to be fair and reasonable, taking into consideration the
17 use of such acreage for the production of such crops,
18 but in no event shall the payment exceed one-half
19 the rate which would otherwise be applicable if such
20 acreage were devoted to conservation uses, and no price
21 support shall be made available for the production of any
22 such crop on such diverted acreage. The base period
23 for the purpose of determining the adjusted average
24 yield in the case of payments with respect to the 1964
25 crop shall be the four-year period 1959-1962, and in

1 the case of payments with respect to the 1965 crop
2 shall be the five-year period 1959-1963. The term
3 'feed grains' means corn, grain sorghums, barley, and,
4 if for any crop the producer so requests for purposes of
5 having acreage devoted to the production of wheat con-
6 sidered as devoted to the production of feed grains,
7 pursuant to the provisions of section 328 of the Food and
8 Agriculture Act of 1962, the term 'feed grains' shall
9 include oats and rye: *Provided*, That acreages of corn,
10 grain sorghums, and barley shall not be planted in lieu of
11 acreages of oats and rye: *Provided further*, That the
12 acreage devoted to the production of wheat shall not be
13 considered as an acreage of feed grains for purposes of
14 establishing the feed grain base acreage for the farm for
15 subsequent crops. Such feed grain diversion program
16 shall require the producer to take such measures as the
17 Secretary may deem appropriate to keep such diverted
18 acreage free from erosion, insects, weeds, and rodents.
19 The acreage eligible for participation in the program
20 shall be such acreage (not to exceed 50 per centum of
21 the average acreage on the farm devoted to feed grains
22 in the crop years 1959 and 1960 or twenty-five acres,
23 whichever is greater) as the Secretary determines neces-
24 sary to achieve the acreage reduction goal for the crop.
25 Payments shall be made in kind. The average acreage

1 of wheat produced on the farm during the crop years
2 1959, 1960, and 1961, pursuant to the exemption pro-
3 vided in section 335 (f) of the Agricultural Adjustment
4 Act of 1938, prior to its repeal by the Food and Agri-
5 culture Act of 1962, in excess of the small farm base
6 acreage for wheat established under section 335 of the
7 Agricultural Adjustment Act of 1938, as amended, shall
8 be considered as an acreage of feed grains produced in
9 the crop years of 1959 and 1960 for purposes of estab-
10 lishing the feed grain base acreage for the farm, and the
11 rate of payment for diverting such wheat shall be an
12 amount determined by the Secretary to be fair and
13 reasonable in relation to the rates of payment for divert-
14 ing feed grains. The Secretary may make such adjust-
15 ments in acreage and yields as he determines necessary
16 to correct for abnormal factors affecting production, and
17 to give due consideration to tillable acreage, crop-rotat-
18 ion practices, types of soil, soil and water conservation
19 measures, and topography. To the extent that a pro-
20 ducer proves the actual acreages and yields for the farm,
21 such acreages and yields shall be used in making deter-
22 minations. Notwithstanding any other provision of this
23 subsection (l) (1), the Secretary may, upon unanimous
24 request of the State committee established pursuant to
25 section 8 (b) of the Soil Conservation and Domestic

1 Allotment Act, as amended, adjust the feed grain bases
2 for farms within any State or county to the extent he
3 determines such adjustment to be necessary in order to
4 establish fair and equitable feed grain bases for farms
5 within such State or county. The Secretary may make
6 not to exceed 50 per centum of any payments to pro-
7 ducers in advance of determination of performance: *Pro-*
8 *vided*, That in no event shall the Secretary in the crop
9 years 1964 or 1965 make payments to any producers
10 under this section 16 (h) and under section 105 (d)
11 of the Agricultural Act of 1949, as amended, in excess
12 of 20 per centum of the fair market value of any acreage
13 involved. Notwithstanding any other provision of this
14 subsection (h) (1), barley shall not be included in the
15 program for a producer of malting barley exempted pur-
16 suant to section 105 (d) of the Agricultural Act of 1949
17 who participates only with respect to corn and grain
18 sorghums and does not knowingly devote an acreage on
19 the farm to barley in excess of 110 per centum of the
20 average acreage devoted on the farm to barley in 1959
21 and 1960.

22 “(2) Notwithstanding any other provision of this
23 subsection, not to exceed 1 per centum of the estimated
24 total feed grain bases for all farms in a State for any
25 year may be reserved from the feed grain bases estab-

1 lished for farms in the State for apportionment to farms
2 on which there were no acreages devoted to feed grains
3 in the crop years 1959 and 1960 on the basis of the
4 following factors: Suitability of the land for the produc-
5 tion of feed grains, the past experience of the farm
6 operator in the production of feed grains, the extent to
7 which the farm operator is dependent on income from
8 farming for his livelihood, the production of feed grains
9 on other farms owned, operated, or controlled by the
10 farm operator, and such other factors as the Secretary
11 determines should be considered for the purpose of
12 establishing fair and equitable feed grain bases. An
13 acreage equal to the feed grain base so established for
14 each farm shall be deemed to have been devoted to feed
15 grains on the farm in each of the crop years 1959 and
16 1960 for purposes of this subsection except that pro-
17 ducers on such farm shall not be eligible for conservation
18 payments for the first year for which the feed grain base
19 is established.

20 “(3) There are hereby authorized to be appro-
21 priated such amounts as may be necessary to enable the
22 Secretary to carry out this section 16 (h) .

1 “(4) The Secretary shall provide by regulations
2 for the sharing of payments under this subsection among
3 producers on the farm on a fair and equitable basis and
4 in keeping with existing contracts.

5 “(5) Payments in kind shall be made through the
6 issuance of negotiable certificates which the Commodity
7 Credit Corporation shall redeem for feed grains and,
8 notwithstanding any other provision of law, the Com-
9 modity Credit Corporation shall, in accordance with
10 regulations prescribed by the Secretary, assist the pro-
11 ducer in the marketing of such certificates. In the
12 case of any certificate not presented for redemption
13 within thirty days of the date of its issuance, reason-
14 able costs of storage and other carrying charges, as
15 determined by the Secretary, for the period beginning
16 thirty days after its issuance and ending with the date
17 of its presentation for redemption shall be deducted from
18 the value of the certificate. Feed grains with which
19 Commodity Credit Corporation redeems certificates pur-
20 suant to this paragraph shall be valued at not less than
21 the current support price, minus that part of the current

1 support price made available through payments in kind,
2 plus reasonable carrying charges.

3 “(6) Notwithstanding any other provision of law,
4 the Secretary may, by mutual agreement with the pro-
5 ducer, terminate or modify any agreement previously
6 entered into pursuant to this subsection if he determines
7 such action necessary because of an emergency created
8 by drought or other disaster, or in order to prevent or
9 alleviate a shortage in the supply of feed grains.”

10 SEC. 4. Section 326 of the Food and Agriculture Act
11 of 1962, as amended, is amended by deleting the word
12 “and” immediately preceding “(g)” and inserting imme-
13 diately after “(g)” the following: “and (h)”.

Passed the House of Representatives April 25, 1963.

Attest:

RALPH R. ROBERTS,

Clerk.

88TH CONGRESS
1ST SESSION

H. R. 4997

AN ACT

To extend the feed grain program.

APRIL 30, 1963

Read twice and referred to the Committee on
Agriculture and Forestry

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued May 10, 1963
For actions of May 9, 1963
88th-1st, No. 69

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HIGHLIGHTS: Senate committee reported feed grain bill. Senate committee voted to report migratory farm labor bills. Sen. Humphrey commended food stamp program. Sen. Morse urged cooperation with Canada in solving lumber import problem. Sen. Morse criticized industry attacks on forest timber sales and access roads policies. Conferees agreed to file second conference report on supplemental appropriation bill. House committee reported Packers and Stockyards bill re deductions for promotion and research activities. House subcommittee voted to report bills to permit lease and transfer of tobacco acreage allotments and extend time for transferring tobacco leases. Rep. Michel urged "complete shakeup and overhauling" of REA. Reps. Cooley and Morris introduced and discussed cotton bills.

SENATE

1. **FEED GRAINS.** The Agriculture and Forestry Committee reported without amendment H. R. 4997, to extend the feed grain program to 1964 and 1965 (S. Rept. 172) (p. 7708). (See Digests 51 and 60 for a summary of the provisions of this bill.)

Sen. Allott submitted an amendment intended to be proposed to this bill to exempt Moravian barley from the feed grain program. p. 7748

Received an Ore. Legislature resolution urging the establishment and maintenance of "stable and equitable price relationships among the various grains and among the major grain-producing and grain feeding areas of the Nation. pp. 7707-8

grains and among the major grain-producing and grain-feeding areas of the Nation." pp. 7707-8

2. FARM LABOR. The Labor and Public Welfare Committee voted to report (but did not actually report) S. 521, with amendment, to provide financial assistance to States to improve educational opportunities for migrant agricultural workers and their children, S. 522, with amendment, to assist States in providing for day care services for children of migratory workers, S. 523, with amendment, to exempt certain agricultural workers from the child labor provisions of the Fair Labor Standards Act, S. 524, with amendment, to provide for the registration of contractors of migrant agricultural workers, S. 525, with amendment, to establish a National Advisory Council on Migratory Labor, and S. 526, to establish a program to assist farmers in providing more adequate sanitation facilities for migratory workers. p. D309
3. FOOD STAMPS. Sen. Humphrey reviewed and commended the food stamp program, urged that it be extended permanently, and inserted a status report on food coupon issuance in each of the pilot food stamp program areas. pp. 7767-9
4. LUMBER IMPORTS. Sen. Morse urged cooperation with Canada in resolving the lumber import problem, stated that "instead of constantly flailing away at the Canadian lumber industry, the domestic industry of the United States should join hands with its Canadian counterpart to determine a course of action which will protect and develop markets for lumber," and inserted several items on the matter. pp. 7757-65
5. FORESTRY. Sen. Morse criticized industry attacks on Forest Service timber sale and access roads policies and stated that "those in the timber industry who are responsible people should weigh most carefully the efforts some are making to limit the application of the multiple-use concept to sound forest management." pp. 7765-7
6. COFFEE. The Foreign Relations Committee was granted permission to file a report on the International Coffee Agreement, 1962, during adjournment of the Senate. p. 7738
7. BUDGETING. Continued consideration of S. 537, to provide for the establishment of a joint Congressional committee on the budget. p. 7729
8. EDUCATION. Sen. Morse inserted the testimony of Secretaries Celebrezze and Wirtz before the Subcommittee on Education of the Senate Labor and Public Welfare Committee on S. 580, the proposed National Educational Improvement Act of 1963. pp. 7750-7
9. TRANSPORTATION. Sen. Douglas criticized higher ocean freight rates established by international shipping conferences for shipments from the U. S. to Europe and Japan, than rates established for shipments from those areas to the U.S., and urged that action be taken to discontinue this practice. pp. 7741-8
10. INFORMATION; FOREIGN AFFAIRS. Received from the President a copy of the Convention Concerning the Exchange of Official Publications and Government Documents Between States, together with a certified copy of the Convention Concerning the International Exchange of Publications. p. 7738

FEED GRAIN ACT OF 1963

MAY 9, 1963.—Ordered to be printed

Mr. ELLENDER, from the Committee on Agriculture and Forestry,
submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 4997]

The Committee on Agriculture and Forestry, to whom was referred the bill (H.R. 4997) to extend the feed grain program, having considered the same, report thereon with a recommendation that it do pass without amendment.

SHORT EXPLANATION

The bill provides for 1964 and 1965 feed grain programs similar to the 1963 program. In general, the bill provides with respect to the 1964 and 1965 crops for—

(1) Price support for corn at 65 to 90 percent of parity (and comparable levels for grain sorghums, barley, oats, and rye) if a feed grain diversion program is in effect;

(2) Conditioning eligibility for feed grain price support on participation in an acreage diversion program (with authority for a malting barley exemption from this requirement), or, at the Secretary's discretion, on keeping within the farm base acreage if there is no diversion program;

(3) Use of payments in kind as a method of feed grain price support if an acreage diversion program is in effect (with authority to make up to 50 percent of any such payment in advance of determination of performance). While the bill does not contain any limit on the amount of price support payments that can be made, the Secretary has indicated to the committee that based on present information and estimates, price-support payments under the 1964 and 1965 programs will not exceed the 18 cents per

bushel for corn provided by law under the 1963 program, and the committee strongly urges that the Secretary not make price support payments in excess of that amount;

(4) A minimum feed grain value for redemption purposes equal to the current support price (minus that part made available through payments), plus reasonable carrying charges; and

(5) Feed grain diversion programs in 1964 and 1965 if the supply would otherwise be excessive. Payments in kind could be made under such programs at rates up to 50 percent of the support price multiplied by the normal production of the acreage diverted for diverting up to 50 percent of the farm feed grain base (or 25 acres, if greater) to conservation uses. The program would cover (i) corn, grain sorghums, and barley; (ii) oats and rye where requested by the producer for purposes of having wheat acreage considered as feed grain acreage; and (iii) wheat to the extent of the excess of the farm's 1959, 1960, and 1961 average acreage of wheat produced under the so-called feed wheat exemption over the farm's small farm base acreage for wheat. Provision is made for adjusting base acreages in any State or county and for up to a 1 percent State reserve for farms with no base period history. Farms receiving apportionments from such reserve would not be entitled to diversion payments for the first year for which feed grain bases are established for them.

COMMITTEE DELIBERATIONS

The committee held 3 days of hearings and heard all witnesses who desired to be heard. In addition, the committee obtained two letters from the Secretary of Agriculture describing the manner in which the program would be administered. The committee was particularly interested in the administration of the price support payment provision of the bill, can foresee no conditions under which price support payments would exceed the 1963 level, and expects the Secretary to administer this provision exactly in conformity with his letters. In view of these assurances the committee felt that there was no need to change the bill in any way in this regard. The Secretary's letters are as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, May 8, 1963.

HON. ALLEN J. ELLENDER,
Chairman, Agriculture and Forestry Committee,
U.S. Senate.

DEAR MR. CHAIRMAN: During my appearance before your committee last Friday, and I understand in subsequent hearings this week, questions have been raised concerning the administration of the 1964 and 1965 programs under the authority contained in H.R. 4997. As I stated before your committee, we face a different situation in 1964 and 1965 from that which we faced in the past 3 years when the maximum amount of participation and stock reduction was needed. In future years our problem will be to maintain a security reserve or carryover of feed grains in the range of 45 to 50 million tons. This will require careful study and judgment on the mix of various program provisions so as to obtain the desired degree of participation without

allocation or rationing. Obviously, in view of uncertainties of weather and the possibilities of changes in production, utilization, and exports, the judgment and decisions on detailed program provisions must be made on the basis of the best available information at the time the decisions are made. It is for these reasons that I would sincerely hope the committee would not limit the authority of the Secretary of Agriculture in carrying out his responsibility under this proposed legislation.

However, in view of the questions which have been raised concerning this matter, perhaps it would be helpful to members of the committee and of the Senate to reiterate what has previously been stated by Department officials. We have indicated that based on present information and estimates (1) the price support level for feed grains in 1964 will not be materially different from the levels in effect for the 1963 crop; (2) the portion of the price support to be made in payment-in-kind under the 1964 program is expected to be somewhat less than the 18 cents required under the 1963 program; (3) the required minimum diversion for eligibility of price support under the 1964 program would in no case be greater than that required in the 1961, 1962, and 1963 programs (20 percent of the 1959-60 base acreage), and could possibly be slightly lower; and (4) final decisions will be made on the basis of the best estimates available at the time the final announcements are to be made, and in making such decisions, thorough consideration will be given to the effects on producers' income in the very important feed grain-livestock sector of our agricultural economy, and also to the cost aspects on an overall, as well as a per-unit basis.

Furthermore, we would seek the recommendations, advice, and counsel of organizations and individuals who are involved in the production of both feed grains and livestock before making such decisions.

I trust the above will be helpful to your committee in its deliberations. May I again urge the prompt passage of this bill in the form approved by the House of Representatives. I assure you that my administration of this bill will be in accord with the highest level of public responsibility.

Sincerely,

ORVILLE L. FREEMAN,
Secretary.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., May 9, 1963.

HON. ALLEN J. ELLENDER,
Chairman, Agriculture and Forestry Committee,
U.S. Senate.

DEAR MR. CHAIRMAN: In my letter of yesterday, May 8, I indicated to your committee the administrative actions which, based on present information and estimates, would be taken under the feed grain program authorized by H.R. 4997. While these comments were made with respect to the 1964 program, they will also apply, in general, to the 1965 program. However, as I indicated in my letter yesterday, it is very difficult to make precise estimates so far in advance in view of the uncertainties of weather and the possibilities of changes in production, utilization, and exports. Obviously, it is

even more difficult to make such estimates for the 1965 program than it is for the 1964 program. Especially is this true in determining the price support level and the minimum percentage of diversion which will be required for eligibility for price support.

With regard to the portion of price support to be made available in the form of payment-in-kind, however, we can foresee no conditions which would require this payment under either the 1964 program or the 1965 program to be in excess of the 18 cents provided by law for corn under the 1963 program.

I trust this will supplement and clarify my previous assurances concerning the administration of the feed grain program.

Sincerely,

ORVILLE L. FREEMAN,
Secretary.

GENERAL STATEMENT

This bill provides for a 2-year extension of the voluntary feed grain program and is designed to consolidate gains made by the 1961, 1962, and 1963 programs. The purpose of this legislation is fourfold: (1) It will further bring down surplus stocks of feed grains; (2) it will reduce costs to taxpayers; (3) it will give the wheat and feed grain producers new freedom and flexibility in the management and operation of their farms, since they can freely substitute acre for acre between these crops whenever they find that doing so will increase the efficiency of their own farming operations; and (4) it will help to maintain and increase farm income by assuring fairer prices for feed grain producers and by providing a basis of stability for livestock prices.

Prompt but deliberate action was taken by this committee in reporting out the bill, since wheat farmers have a right to know the full story of the flexibility possible on their farms prior to voting in the referendum on May 21, 1963.

NEED FOR LEGISLATION

Prior to the enactment of the feed grain program in 1961 the production, utilization, and carryover stocks, both total and Government, had been increasing for a number of years. For example, in 1950, the production of all feed grains amounted to 113 million tons. In 1960, production had increased to 155.5 million tons. At the same time utilization of feed grains increased from 115.8 million tons to 145.9 million tons. Notwithstanding the tremendous increase in utilization that occurred during that time the carryover of feed grains increased from 28.6 million tons to 84.7 million tons and Government stocks increased from 14.8 million tons to 74.6 million tons. The Commodity Credit Corporation investment in feed grains also increased from \$1.1 billion in 1950 to \$3.4 billion on September 30, 1961.

There is little doubt but that the upward trend in production, in utilization, and in total carryover, as well as Government stocks, would have continued had remedial legislation not been enacted.

However, as a result of the feed grain program 1961 production of all feed grains was reduced by 15.5 million tons and 1962 production was reduced by 12½ million tons. Similarly there was a substantial

reduction both in total carryover of feed grains and in Government stocks of these commodities.

In the first year of the program Government stocks were reduced by 12.2 million tons. It is expected that Government stocks will further be decreased because of the 1962 program by about 11.4 million tons, for a total reduction in the 2-year operation of 23.6 million tons. There is no reason to believe that another substantial reduction in stocks will not occur because of the program this year.

In the case of corn, production in 1950 amounted to 2.8 billion bushels. In 1960, production of corn amounted to 3.9 billion bushels. Government stocks increased from 488 million bushels in 1950 to 1,927 million bushels in 1960.

In 1961, for the first time in 10 years there was a sharp drop in the production of corn, as well as in Government stocks. The 1961 feed-grain program reduced corn production by 282 million bushels and Government stocks by 371 million bushels. The 1962 program reduced production by 264 million bushels and is expected to reduce Government stocks by 341 million bushels.

In the case of grain sorghums, production had increased from 234 million bushels in 1950 to 620 million bushels in 1960 and Government stocks had increased from 17 million bushels to 695 million bushels. In 1961, production was 140 million bushels below the previous year and in 1962 was 111 million bushels below 1960. Commodity Credit Corporation stocks also declined during this period.

Data relating to acreage, yield, supply, utilization, and carryover stocks of all feed grains, as well as the individual feed grains are given in tables 1 through 5 and charts 1 through 3.

TABLE 1.—*Feed grains: Acreage, yield, production, supplies, and utilization, 1950-63*

| Year | Acreage | | Yield per harvested acre | Supply | | | | Utilization | | | Carryout | |
|-------------------------|--------------------------------|------------------------|--------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Planted (all pur- poses) | Harvested for grain | | Carry-in | Production | Imports | Total | Domestic | Exports | Total | Total | Government |
| | Million acres | Million acres | Thousand pounds per acre | Million tons | Million tons | Million tons | Million tons | Million tons | Million tons | Million tons | Million tons | Million tons |
| 1950..... | 157.0 | 133.2 | 1.70 | 30.5 | 113.1 | 0.8 | 144.4 | 109.4 | 6.4 | 115.8 | 28.6 | 14.8 |
| 1951..... | 150.1 | 124.4 | 1.68 | 28.6 | 104.8 | 1.3 | 134.7 | 109.8 | 4.8 | 114.6 | 20.1 | 9.0 |
| 1952..... | 146.1 | 121.9 | 1.82 | 20.1 | 111.0 | 1.7 | 132.8 | 100.5 | 5.3 | 105.8 | 27.0 | 16.6 |
| 1953..... | 149.0 | 123.2 | 1.76 | 27.0 | 108.3 | 2.2 | 137.5 | 102.0 | 3.8 | 105.8 | 31.7 | 22.6 |
| 1954..... | 164.0 | 134.3 | 1.70 | 31.7 | 114.1 | .9 | 146.7 | 102.1 | 3.5 | 107.6 | 39.1 | 20.7 |
| 1955..... | 168.6 | 134.9 | 1.79 | 39.1 | 120.8 | .8 | 160.7 | 109.4 | 8.1 | 117.5 | 43.2 | 34.7 |
| 1956..... | 158.1 | 120.3 | 1.98 | 43.2 | 119.3 | .9 | 163.4 | 106.9 | 7.7 | 114.6 | 48.8 | 40.8 |
| 1957..... | 158.3 | 131.7 | 2.01 | 48.8 | 132.4 | 1.0 | 182.2 | 113.4 | 9.8 | 123.2 | 59.0 | 49.7 |
| 1958..... | 147.9 | 126.1 | 2.29 | 59.0 | 144.1 | .4 | 203.5 | 123.4 | 12.6 | 136.0 | 67.5 | 58.0 |
| 1959..... | 154.2 | 130.2 | 2.30 | 67.5 | 149.6 | .5 | 217.6 | 130.2 | 12.8 | 143.0 | 74.6 | 65.7 |
| 1960..... | 148.5 | 127.8 | 2.44 | 74.6 | 155.6 | .5 | 230.6 | 133.2 | 12.7 | 145.9 | 84.7 | 74.6 |
| 1961..... | 129.3 | 106.3 | 2.65 | 84.7 | 140.1 | .5 | 225.8 | 136.7 | 17.3 | 154.0 | 71.8 | 62.4 |
| 1962 ¹ | 125.9 | 103.8 | 2.76 | 71.8 | 143.1 | .3 | 215.2 | 138.6 | 15.6 | 154.2 | 61.0 | 51.0 |
| 1963 ¹ | ----- | ----- | ----- | 61.0 | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |

¹ Preliminary.

TABLE 2.—*Corn: Supply and utilization data, 1950-63*

| Year | Acreage | | Yield per harvested acre | Supply | | | Utilization | | | Carryover Sept. 30 | | Support price ¹ |
|-------------------------|------------------------|---------------------|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|-----------------|----------------------------|
| | Planted (all purposes) | Harvested for grain | | Carry-in Oct. 1 | Production | Imports | Total | Domestic | Exports | Total | Government | |
| | Million acres | Million acres | Bushels per acre | Million bushels | Million bushels | Million bushels | Million bushels | Million bushels | Million bushels | Million bushels | Million bushels | Dollars per bushel |
| 1950..... | 82.9 | 72.4 | 38.2 | 844 | 2,764 | 1 | 3,609 | 2,762 | 107 | 2,869 | 488 | \$1.10-\$1.47 |
| 1951..... | 83.3 | 71.2 | 36.9 | 740 | 2,629 | 1 | 3,370 | 2,807 | 76 | 2,883 | 306 | 1.37 |
| 1952..... | 82.2 | 71.4 | 41.8 | 487 | 2,981 | 1 | 3,469 | 2,530 | 140 | 2,670 | 580 | 1.60 |
| 1953..... | 81.6 | 70.7 | 40.7 | 769 | 2,832 | 1 | 3,602 | 2,636 | 96 | 2,732 | 736 | 1.60 |
| 1954..... | 82.2 | 68.7 | 39.4 | 920 | 2,708 | 1 | 3,629 | 2,502 | 92 | 2,594 | 884 | 1.21-1.62 |
| 1955..... | 80.9 | 68.5 | 42.0 | 1,035 | 2,873 | 1 | 3,909 | 2,636 | 108 | 2,744 | 1,060 | 1.18-1.58 |
| 1956..... | 77.8 | 64.9 | 47.4 | 1,165 | 3,075 | 1 | 4,241 | 2,657 | 165 | 2,822 | 1,295 | 1.24-1.50 |
| 1957..... | 73.2 | 63.1 | 48.3 | 1,419 | 3,045 | 2 | 4,466 | 2,814 | 183 | 2,997 | 1,469 | .98-1.40 |
| 1958..... | 73.4 | 63.5 | 52.8 | 1,469 | 3,356 | 1 | 4,826 | 3,088 | 214 | 3,302 | 1,524 | 1.06-1.36 |
| 1959..... | 82.7 | 72.1 | 53.1 | 1,524 | 3,825 | 1 | 5,350 | 3,351 | 212 | 3,563 | 1,787 | 1.12 |
| 1960..... | 81.7 | 71.6 | 54.5 | 1,787 | 3,908 | 1 | 5,696 | 3,412 | 276 | 3,688 | 1,927 | 1.06 |
| 1961..... | 66.8 | 58.4 | 62.0 | 2,008 | 3,626 | 1 | 5,635 | 3,580 | 415 | 3,995 | 1,556 | 1.20 |
| 1962 ² | 66.0 | 56.8 | 64.1 | 1,640 | 3,644 | 1 | 5,285 | 3,625 | 360 | 3,985 | 1,215 | 1.20 |
| 1963 ² | | | | 1,300 | | | | | | | | 1.25 |

¹ The average support level outside the commercial corn area in 1950, 1954, 1955, and 1958 was 75 percent of the rate in the commercial area. In 1956 it was 82.5 percent and in 1957 70 percent.

² Preliminary.

FEED GRAIN ACT OF 1963

TABLE NO. 3.—*Grain sorghums: Supply and utilization data, 1950-63*

| Year | Acreage | | Yield per har- vested acre | Supply | | | | Utilization | | Carryout Sept. 30 | | Support price ¹ | | |
|------|--------------------------------|-----------------------------|-------------------------------------|--------------------|-----------------|--------------------|-------|---------------|---------|-------------------|-----------------|-------------------------------|-------|---------------------------------|
| | Planted (all pur- poses) | Har- vested for grain | | Carry-in Oct. 1 | Pro- duction | Imports | Total | Domes- tic | Exports | Total | Govern- ment | | | |
| | | | | | | | | | | | | | | |
| 1950 | 16.1 | 10.3 | 22.6 | 60 | 234 | Million bushels | 293 | 180 | 75 | 255 | 38 | Million bushels | 17 | Dollars per bushel \$1.05 |
| 1951 | 15.0 | 8.5 | 19.1 | 38 | 163 | ----- | 201 | 129 | 62 | 191 | 10 | ----- | 1 | 1.22 |
| 1952 | 12.3 | 5.3 | 17.0 | 10 | 91 | ----- | 101 | 84 | 10 | 94 | 7 | ----- | (1) | 1.33 |
| 1953 | 14.6 | 6.3 | 18.4 | 7 | 116 | ----- | 123 | 86 | 15 | 101 | 22 | ----- | 20 | 1.36 |
| 1954 | 20.1 | 11.7 | 20.1 | 22 | 236 | ----- | 258 | 135 | 48 | 183 | 75 | ----- | 68 | 1.28 |
| 1955 | 23.9 | 12.9 | 18.8 | 75 | 243 | ----- | 318 | 171 | 66 | 237 | 81 | ----- | 75 | 1.00 |
| 1956 | 21.4 | 9.2 | 22.2 | 81 | 205 | ----- | 286 | 185 | 22 | 207 | 79 | ----- | 75 | 1.10 |
| 1957 | 26.9 | 19.7 | 28.8 | 79 | 568 | ----- | 647 | 281 | 57 | 338 | 309 | ----- | 298 | 1.04 |
| 1958 | 20.7 | 16.5 | 35.2 | 309 | 581 | ----- | 890 | 280 | 100 | 380 | 510 | ----- | 500 | 1.02 |
| 1959 | 19.5 | 15.4 | 36.0 | 510 | 555 | ----- | 1,065 | 384 | 100 | 484 | 581 | ----- | 576 | .85 |
| 1960 | 19.6 | 15.6 | 39.8 | 581 | 620 | ----- | 1,201 | 428 | 71 | 499 | 702 | ----- | 695 | .85 |
| 1961 | 14.3 | 11.0 | 43.8 | 702 | 480 | ----- | 1,182 | 422 | 99 | 521 | 661 | ----- | 2 663 | 1.08 |
| 1962 | 15.0 | 11.5 | 44.1 | 661 | 509 | ----- | 1,170 | 450 | 95 | 545 | 625 | ----- | 610 | 1.08 |
| 1963 | ----- | ----- | ----- | 625 | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | 1.12 |

¹ Less than 50,000 bushels.² CCC holdings exceed total stocks probably due to lag in recording dispositions by CCC.

TABLE NO. 4.—Oats: Supply and utilization data, 1950-63

| Year | Acreage | | Yield per har- vested acre | Supply | | | Utilization | | | Carryout June 30 | | Support price <i>Dollars per bushel</i> | |
|-------------------|--------------------------------|-----------------------------|-------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|---|-------------------------------|
| | Planted (all pur- poses) | Har- vested for grain | | Carry-in July 1 | Pro- duction | Imports | Total | Domes- tic | Exports | Total | Total | | Government |
| | | | | | | | | | | | | | |
| | <i>Million acres</i> | <i>Million acres</i> | <i>Bushels per acre</i> | <i>Million bushels</i> | <i>Million bushels</i> | <i>Million bushels</i> | <i>Million bushels</i> | <i>Million bushels</i> | <i>Million bushels</i> | <i>Million bushels</i> | <i>Million bushels</i> | <i>Million bushels</i> | <i>Dollars per bushel</i> |
| 1950 | 45.0 | 39.3 | 34.8 | 208 | 1,369 | 30 | 1,607 | 1,318 | 3 | 1,321 | 286 | 11 | 0.71 |
| 1951 | 41.0 | 35.2 | 36.3 | 286 | 1,278 | 62 | 1,627 | 1,348 | 2 | 1,350 | 277 | 7 | .72 |
| 1952 | 42.3 | 37.0 ¹ | 32.9 | 277 | 1,217 | 69 | 1,563 | 1,313 | 1 | 1,314 | 249 | 16 | .78 |
| 1953 | 43.2 | 37.5 | 30.7 | 249 | 1,153 | 80 | 1,482 | 1,255 | (1) | 1,255 | 227 | 41 | .80 |
| 1954 | 46.9 | 40.6 | 34.8 | 227 | 1,410 | 20 | 1,657 | 1,341 | 13 | 1,354 | 303 | 61 | .75 |
| 1955 | 47.9 | 39.0 | 38.3 | 303 | 1,496 | 3 | 1,802 | 1,430 | 26 | 1,456 | 346 | 74 | .61 |
| 1956 | 44.2 | 33.3 | 34.5 | 346 | 1,151 | 17 | 1,514 | 1,249 | 25 | 1,274 | 240 | 35 | .65 |
| 1957 | 41.8 | 34.1 | 37.9 | 324 | 1,290 | 25 | 1,555 | 1,205 | 26 | 1,231 | 324 | 48 | .61 |
| 1958 | 37.7 | 31.2 | 44.8 | 324 | 1,401 | 3 | 1,728 | 1,332 | 30 | 1,362 | 366 | 88 | .61 |
| 1959 | 35.1 | 27.8 | 37.9 | 366 | 1,052 | 2 | 1,420 | 1,110 | 43 | 1,153 | 267 | 36 | .50 |
| 1960 | 31.5 | 26.6 | 43.4 | 267 | 1,155 | 2 | 1,423 | 1,071 | 27 | 1,098 | 325 | 38 | .50 |
| 1961 | 32.5 | 24.0 | 42.2 | 325 | 1,011 | 1 | 1,337 | 1,042 | 18 | 1,060 | 277 | 32 | .62 |
| 1962 ² | 30.2 | 22.9 | 45.0 | 277 | 1,032 | 5 | 1,314 | 1,016 | 23 | 1,039 | 275 | 35 | .62 |
| 1963 ² | | | | 275 | | | | | | | | 65 | .65 |

² Preliminary.¹ 345,000 bushels.

TABLE No. 5.—*Barley: Supply and utilization data, 1950-63*

| Year | Acreage | | Yield per har- vested acre | Supply | | | Utilization | | Carryout June 30 | | Support price <i>Dollars per bushel</i> | | |
|------|--------------------------------|-----------------------------|-------------------------------------|----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|---|-------|-----------------|
| | Planted (all pur- poses) | Har- vested for grain | | Carry-in July 1 | Pro- duction | Imports | Total | Domes- tic | Exports | Total | | Total | Govern- ment |
| 1950 | 13.0 | 11.2 | <i>Bushels per acre</i> 27.2 | <i>Million bushels</i> 80 | <i>Million bushels</i> 304 | <i>Million bushels</i> 14 | <i>Million bushels</i> 398 | <i>Million bushels</i> 264 | <i>Million bushels</i> 40 | <i>Million bushels</i> 304 | <i>Million bushels</i> 94 | 23 | 1.10 |
| 1951 | 10.8 | 9.4 | 27.3 | 94 | 257 | 13 | 361 | 260 | 31 | 291 | 73 | 12 | 1.11 |
| 1952 | 9.2 | 8.2 | 27.7 | 73 | 228 | 23 | 326 | 238 | 37 | 275 | 51 | 3 | 1.22 |
| 1953 | 9.6 | 8.7 | 28.4 | 51 | 247 | 38 | 336 | 246 | 19 | 265 | 71 | 33 | 1.24 |
| 1954 | 14.7 | 13.4 | 28.4 | 71 | 379 | 24 | 474 | 301 | 43 | 344 | 131 | 88 | 1.15 |
| 1955 | 16.3 | 14.5 | 27.8 | 131 | 403 | 28 | 562 | 342 | 103 | 445 | 117 | 71 | .94 |
| 1956 | 14.7 | 12.9 | 29.3 | 117 | 377 | 27 | 521 | 332 | 62 | 394 | 127 | 80 | 1.02 |
| 1957 | 16.4 | 14.9 | 29.8 | 127 | 443 | 24 | 594 | 333 | 92 | 425 | 169 | 109 | .95 |
| 1958 | 16.2 | 14.8 | 32.3 | 169 | 477 | 14 | 660 | 347 | 117 | 464 | 196 | 141 | .93 |
| 1959 | 16.8 | 14.9 | 28.3 | 196 | 422 | 18 | 636 | 351 | 118 | 469 | 167 | 104 | .77 |
| 1960 | 15.6 | 13.9 | 30.9 | 167 | 431 | 15 | 613 | 374 | 86 | 460 | 153 | 96 | .77 |
| 1961 | 15.8 | 12.9 | 30.6 | 153 | 396 | 20 | 569 | 361 | 84 | 445 | 124 | 50 | .93 |
| 1962 | 14.7 | 12.4 | 34.5 | 124 | 429 | 10 | 563 | 353 | 85 | 438 | 125 | 55 | .93 |
| 1963 | | | | 125 | | | | | | | | | .96 |

CHART 1

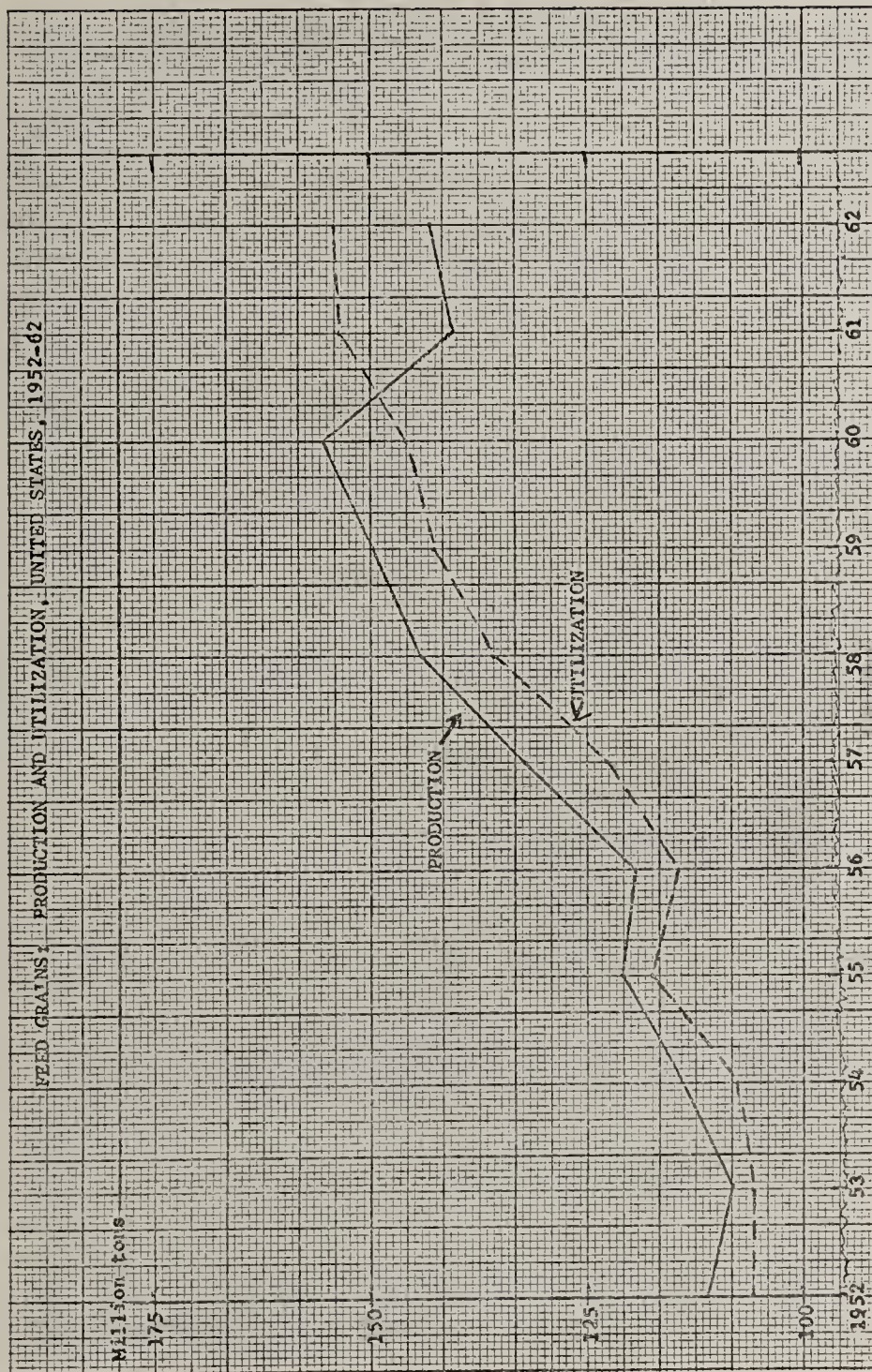


CHART 2

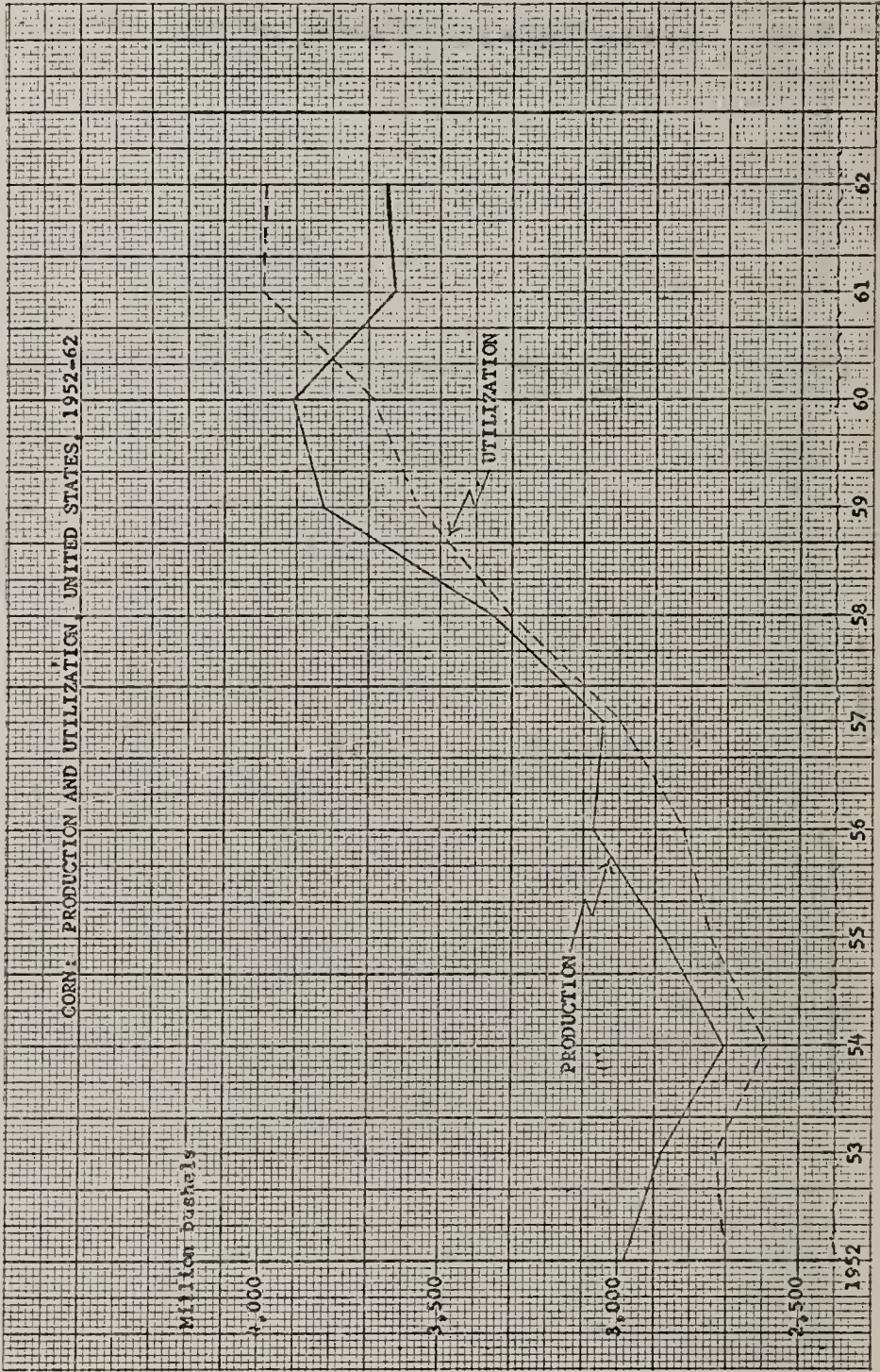
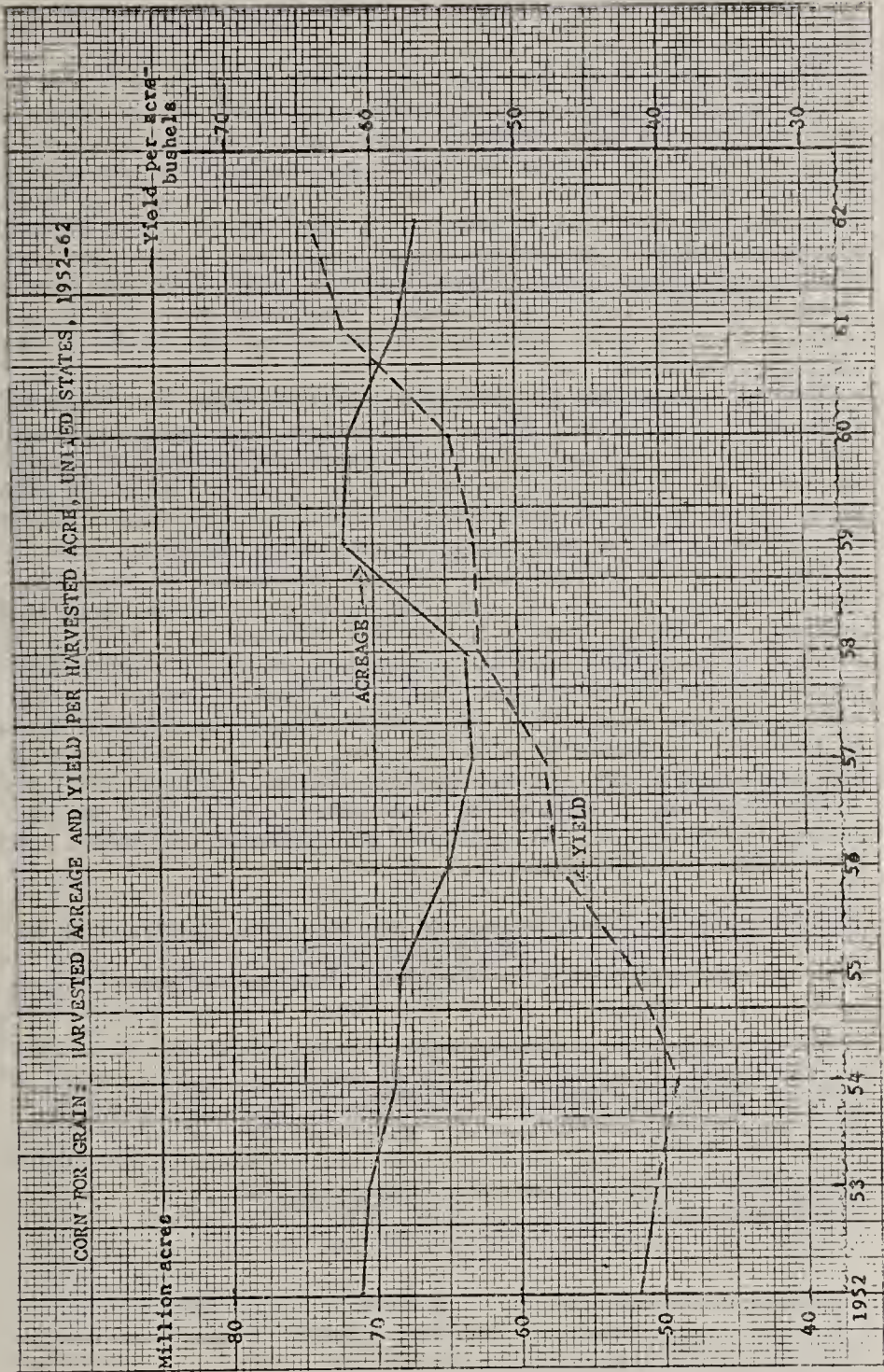


CHART 3



The Department of Agriculture estimates that the ultimate net savings resulting from the acreage diversion programs for 1961 and 1962 will amount to about \$1.2 billion. Commodity Credit Corporation's investment in feed grains as of June 30 of this year will be about \$1 billion below the \$3.4 billion that the Government had invested in feed grains as of June 30, 1961.

There is little doubt but that the enactment of this bill will provide wheat and feed grain producers with a flexibility in the management and operation of their farms that they have desired for many years. A provision in the wheat law that was passed last year authorized substitution as between wheat and feed grain acres if a feed grain diversion program were in effect. The enactment of this bill will give the producers of these commodities the freedom to produce any combination of wheat and feed grains within their allowable acreages of these crops that they might desire. Producers would be in a better position to tailor their operation to utilize more fully the farm resources that are available.

For this reason this bill should be enacted before the wheat referendum which is to be held May 21. Farmers have every right to know fully all details pertaining to the program before they go to the polls to vote. An intelligent vote can only be based on facts and all of the facts. The details of the feed grain diversion program contained in this bill are a substantial and pertinent packet of facts.

The feed grain program has also had a substantial impact on realized net farm income. In 1960 net farm income amounted to \$11.7 million. In 1961 it increased to \$12.8 billion and in 1962 amounted to \$12.9 billion. While the feed grain program is not solely responsible for the increase in income it is one of the principle reasons for the substantial increase over 1960. All available indications are that income in 1963 will again attain this high level. It is imperative that this bill be enacted if the progress made in the last 2 years is to continue.

The following is a summary table showing the participation, the acreage diversion, the payments and reduction in production achieved by the feed grain programs.

TABLE 6.—*Participation, diversion, and payments under the 1961, 1962, and 1963 feed grain programs*

| Item | Unit | 1961 | 1962 preliminary | 1963 estimated |
|---|----------------------|---------|------------------|----------------|
| Farms participating..... | Thousands..... | 1,147 | 1,342 | 1,242 |
| Base acreage on participating farms..... | Million acres..... | 63.6 | 68.2 | 76.5 |
| Acres diverted for payment..... | do..... | 25.2 | 28.6 | 25.7 |
| Land diversion payments..... | Million dollars..... | 782 | 842 | 472 |
| Price support payments ¹ | do..... | 0 | 0 | 400 |
| Reduction in production below 1960: | | | | |
| Corn..... | Million bushels..... | 282 | 264 | ----- |
| Sorghum grain..... | do..... | 140 | 111 | ----- |
| Barley..... | do..... | ----- | 2 | ----- |
| Total..... | ----- | 422 | 377 | ----- |
| CCC investment in feed grains, June 30..... | Million dollars..... | 3,360.1 | 2,594.0 | * 2,366.3 |

¹ Price support payments for the 1963 program are part of the support price, and do not constitute payment for diverting acreage to conservation uses.

² Estimated.

SECTION BY SECTION ANALYSIS

Section 1. Short title.—"Feed Grain Act of 1963".

Section 2. 1964 and 1965 crop feed grain price support.—Section 2(1) provides that the price support level for any crop of corn for which a feed grain acreage diversion program is in effect shall be at such level from 65 to 90 percent of parity as the Secretary determines necessary to achieve the acreage reduction goal for the crop.

Section 2(2) conditions price support for the 1964 and 1965 crop of any feed grain included in an acreage diversion program upon participation in the program to the extent required by the Secretary. If no diversion program is in effect for the 1964 or 1965 crop, price support for such crop of feed grains may be conditioned on not exceeding the feed grain base. The Secretary may make such portion of the support price for any feed grain included in a 1964 or 1965 diversion program available through payments in kind as he deems desirable to assure that the benefits of the price support and diversion programs inure primarily to participants in the diversion program. Such payments in kind shall be made on the number of bushels of such feed grain determined by multiplying the actual acreage planted on the farm for harvest by the adjusted average yield per acre. The base period for determining such adjusted average yield would be the same as that used in computing diversion payments. The provision for 50 percent payment in advance is similar to that for advance payment under the diversion program. Payment in kind certificates issued under this section and under the diversion program would be redeemed by Commodity Credit Corporation for feed grains valued at not less than the current support price minus that part of the current support price made available through payments in kind, plus reasonable carrying charges. Thus, if a 1964 payment in kind certificate (issued as an advance payment) were redeemed by the Commodity Credit Corporation for corn in May 1964, before the 1964 support prices are in effect, the corn would be valued at not less than the support price for the 1963 crop of corn minus 18 cents per bushel (that portion of the 1963 price support made available through payments in kind). The Secretary would have authority to exempt producers of malting barley, under certain conditions, from participation in the 1964 and 1965 feed grain diversion programs as a requirement for eligibility for price support.

Section 2(2) of the bill further provides that (1) the Commodity Credit Corporation is authorized to assist producers in marketing their certificates; (2) reasonable costs of storage and other carrying charges are to be deducted from the value of certificates not presented for redemption within 30 days after issuance; (3) certificates are to be shared by the producers on the farm on the basis of their shares in the crop, or the proceeds therefrom; and (4) producers must forfeit price support if they do not actually divert whatever number of acres they agree to divert.

Section 3. 1964 and 1965 crop feed grain diversion programs.—Section 3 of the bill adds a new section 16(h) to the Soil Conservation and Domestic Allotment Act to provide that for the 1964 and 1965 crops, the Secretary may, if he determines that the total supply of feed grains will likely be excessive in the absence of an acreage diversion program, formulate a feed grain program under which payments shall be made

to producers who divert acreage from the production of feed grains to an approved conservation use and increase their average acreage devoted in 1959 and 1960 to designated soil-conserving crops or practices, including summer fallow and idle land, by an equal amount. Such payments shall be made in kind in an amount not in excess of 50 percent of the estimated basic county support rate, including that part of the support price made available through payments in kind, multiplied by the normal production of the acreage diverted from the commodity based on its adjusted average yield per acre. The base period for the purpose of determining the adjusted average yield for payments for the 1964 crop shall be the 4-year period 1959-62 and for payments for the 1965 crop shall be the 5-year period 1959-63.

The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, and flax, when such crops are not in surplus supply, subject to the condition that no price support shall be made available for the production of such crop and payment for such acreage shall be at a rate determined by the Secretary to be fair and reasonable not to exceed one-half the regular rate.

The term "feed grains" under the new section 16(h) means corn, grain sorghums, and barley. The term "feed grains" also includes oats and rye if the producers on a wheat farm so request for the purpose of having acreage devoted to the production of wheat considered as devoted to the production of feed grains pursuant to section 328 of the Food and Agriculture Act of 1962. However, permitted acreages of oats and rye under the diversion program may not be planted to corn, grain sorghums, and barley.

The acreage eligible for participation in the program shall be such acreage as the Secretary determines necessary to achieve the acreage reduction goal for the crop but not in excess of 50 percent of the average acreage on the farm devoted to feed grains in 1959 and 1960 or 25 acres, whichever is greater.

The average acreage of wheat produced on the farm in 1959, 1960, and 1961, pursuant to the exemption in section 335(f) of the Agricultural Adjustment Act of 1938 prior to amendment of section 335 by the Food and Agriculture Act of 1962, in excess of the small farm base for wheat established under section 335, as so amended, will be considered as an acreage of feed grains for purposes of establishing the feed grain base and the rate of payment for diverting such acreage shall be established in a fair and reasonable amount in relation to the rates of payment for diverting feed grains.

The bill contains authority allowing the Secretary to provide that malting barley producers can plant 110 percent of their 1959-60 barley acres to an acceptable variety of malting barley and still participate in the program for corn and grain sorghums.

Not to exceed 1 percent of the estimated total feed grain bases for all farms in the State for any year may be reserved for apportionment to farms with no 1959 and 1960 history on the basis of specified criteria and such other factors as may be appropriate. Farms on which feed grain bases are established from this reserve shall be ineligible for diversion payments for the first year the base is established.

The Secretary may make adjustments in acreages and yields as he determines necessary to correct for abnormal factors affecting production and to give due consideration to tillable acreage, crop-rotation

practices, type of soil, soil and water conservation measures, and topography. If the producer proves the actual acreages and yields for the farm, such acreages and yields shall be used in making determinations. Upon unanimous request of the State committee, the Secretary may adjust farm feed grain bases in any State or county to the extent necessary to establish fair and equitable feed grain bases for farms in such State or county. In H.R. 4997, page 8, line 23, there is a reference to "this subsection (l)(1)." This reference is incorrect. The reference should be to "this subsection (h)(1)." However, no amendment is necessary, since there is no subsection (l) in section 16 of the Soil Conservation and Domestic Allotment Act and since the phrasing of the sentence—specifically the words "this subsection"—as well as the context of the sentence in subsection (h)(1), make it clear that the reference could only be to "subsection (h)(1)".

The Secretary may make not to exceed 50 percent of any payments to producers in advance of determination of performance. Price support payments are limited to not more than 20 percent of the fair market value of the acreage on which feed grains are produced, and diversion payments are limited to not more than 20 percent of the fair market value of the acreage diverted.

Section 3 of the bill includes authority for the appropriation of such amounts as may be necessary to enable the Secretary to carry out the acreage diversion program. An appropriation for administrative expenses of the Secretary is required to be obtained before the program can be promulgated. However, the Secretary is authorized to use Commodity Credit Corporation to finance the rest of the program costs by redeeming certificates and assisting producers in the marketing thereof, without obtaining an appropriation in advance to cover such program costs.

Payments are to be shared among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

Under the terms of the bill, the Secretary could, by mutual agreement with the producer, modify, or terminate any agreement previously entered into if he determines such action is necessary because of an emergency created by drought or other disaster to alleviate a shortage in the supply of feed grains.

Section 4. Correction of errors.—Section 4 extends to the diversion program provided for by the bill the same authority to correct errors as the Secretary already has with respect to the 1961, 1962, and 1963 feed grain programs and the 1962, 1963, and 1964 and subsequent wheat programs. That authority is to accept as meeting program requirements performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary, and to make payment therefor as necessary to provide fair and equitable treatment. This would, for instance, permit payment to a producer on the basis of an erroneous yield established for his farm by the county committee, if he, in good faith, relied on such erroneous yield in diverting acreage pursuant to his agreement.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

AGRICULTURAL ACT OF 1949

* * * * *

SEC. 105. (a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop, price support shall be made available to producers for each crop of corn at such level, not less than 50 per centum or more than 90 per centum of the parity price therefor, as the Secretary determines will not result in increasing Commodity Credit Corporation stocks of corn: *Provided, That in the case of any crop for which an acreage diversion program is in effect for feed grains, the level of price support for corn of such crop shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines necessary to achieve the acreage reduction goal established by him for the crop.*

(d) The provision of this subsection shall be applicable with respect to the 1964 crop and the 1965 crop of feed grains if an acreage diversion program is in effect under section 16(h) of the Soil Conservation and Domestic Allotment Act, as amended. The Secretary shall require as a condition of eligibility for price support on the crop of any feed grain which is included in the acreage diversion program that the producer shall participate in the diversion program to the extent prescribed by the Secretary, and, if no diversion program is in effect for the 1964 crop or the 1965 crop, he may require as a condition of eligibility for price support on such crop of feed grains that the producer shall not exceed his feed grain base: Provided, That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the acreage diversion program for feed grains if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960, and does not devote any acreage devoted to the production of oats and rye in 1959 and 1960 to the production of wheat pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962. Such portion of the support price for any feed grain included in the acreage diversion program as the Secretary determines desirable to assure that the benefits of the price support and diversion programs inure primarily to those producers who cooperate in reducing their acreage of feed grains shall be made available to producers through payments in kind. Such payments in kind shall be made on the number of bushels of such feed grain determined by multiplying the actual acreage of such feed grain planted on the farm for harvest by the adjusted average yield per acre. The base period used in determining such adjusted average yield shall be the same as that used

for purposes of the acreage diversion program formulated under section 16(h) of the Soil Conservation and Domestic Allotment Act, as amended. The Secretary may make not to exceed 50 per centum of any payments hereunder to producers in advance of determination of performance. Such payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains (such feed grains to be valued by the Secretary at not less than the current support price minus that part of the current support price made available through payments in kind, plus reasonable carrying charges) and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. The Secretary shall provide for the sharing of such certificates among the producers on the farm on the basis of their respective shares in the crop produced on the farm with respect to which such certificates are issued, or the proceeds therefrom. If the operator of the farm elects to participate in the acreage diversion program, price support for feed grains included in the program shall be made available to the producers on such farm only if such producers divert from the production of such feed grains in accordance with the provisions of such program an acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide.

* * * * *

SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

* * * * *

SEC. 16. * * *

* * * * *

(h) Notwithstanding any other provision of law—

(1) For the 1946 crop and the 1965 crop of feed grains, if the secretary determines that the total supply of feed grains will, in the absence of an acreage diversion program, likely be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet any national emergency, he may formulate and carry out an acreage diversion program for feed grains, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of feed grains to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conservation crops or practices including summer fallow and idle land by an equal amount.

Payments shall not be made in amounts in excess of 50 per centum of the estimated basic county support rate, including that part of the support price made available through payments in kind, on the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre. Notwithstanding the foregoing provisions, the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses, and no price support shall be made available for the production of any such crop on such diverted acreage. The base period for the purpose of determining the adjusted average yield in the case of payments with respect to the 1964 crop shall be the four-year period 1959-1962, and in the case of payments with respect to the 1965 crop shall be the five-year period 1959-1963. The term "feed grains" means corn, grain sorghums, barley, and, if for any crop the producer so requests for purposes of having acreage devoted to the production of wheat considered as devoted to the production of feed grains, pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962, the term "feed grains" shall include oats and rye: Provided, That acreages of corn, grain sorghums, and barley shall not be planted in lieu of acreages of oats and rye: Provided further, That the acreage devoted to the production of wheat shall not be considered as an acreage of feed grains for purposes of establishing the feed grain base acreage for the farm for subsequent crops. Such feed grain diversion program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The acreage eligible for participation in the program shall be such acreage (not to exceed 50 per centum of the average acreage on the farm devoted to feed grains in the crop years 1959 and 1960 or twenty-five acres, whichever is greater) as the Secretary determines necessary to achieve the acreage reduction goal for the crop. Payments shall be made in kind. The average acreage of wheat produced on the farm during the crop years 1959, 1960, and 1961, pursuant to the exemption provided in section 335(f) of the Agricultural Adjustment Act of 1938, prior to its repeal by the Food and Agriculture Act of 1962, in excess of the small farm base acreage for wheat established under section 335 of the Agricultural Adjustment Act of 1938, as amended, shall be considered as an acreage of feed grains produced in the crop years of 1959 and 1960 for purposes of establishing the feed grain base acreage for the farm, and the rate of payment for diverting such wheat shall be an amount determined by the Secretary to be fair and reasonable in relation to the rates of payment for diverting feed grains. The Secretary may make such adjustments in acreage and yields as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation

practices, types of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual acreages and yields for the farm, such acreages and yields shall be used in making determinations. Notwithstanding any other provision of this subsection (l)(1), the Secretary may, upon unanimous request of the State committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county to the extent he determines such adjustment to be necessary in order to establish fair and equitable feed grain bases for farms within such State or county. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance: Provided, That in no event shall the Secretary in the crop years 1964 or 1965 make payments to any producers under this section 16(h) and under section 105(d) of the Agricultural Act of 1949, as amended, in excess of 20 per centum of the fair market value of any acreage involved. Notwithstanding any other provision of this subsection (h)(1), barley shall not be included in the program for a producer of malting barley exempted pursuant to section 105(d) of the Agricultural Act of 1949 who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

(2) Notwithstanding any other provision of this subsection, not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: Suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this subsection except that producers on such farm shall not be eligible for conservation payments for the first year for which the feed grain base is established.

(3) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(h).

(4) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

(5) Payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within thirty days of the date of its issuance,

reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. Feed grains with which Commodity Credit Corporation redeems certificates pursuant to this paragraph shall be valued at not less than the current support price minus that part of the current support price made available through payments in kind, plus reasonable carrying charges.

(6) Notwithstanding any other provision of law, the Secretary may, by mutual agreement with the producer, terminate or modify any agreement previously entered into pursuant to this subsection if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of feed grains.

FOOD AND AGRICULTURE ACT OF 1962

* * * * *

SEC. 326. Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of subsections (c), (d), [and] (g) and (h) of section 16 of the Soil Conservation and Domestic Allotment Act, as amended, or of section 307 of the Food and Agriculture Act of 1962, section 339 of the Agriculture Act of 1938, as amended, or of section 124 of the Agricultural Act of 1961, and payment may be made therefor in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment.

* * * * *

MINORITY REPORT

We vigorously oppose the enactment of H.R. 4997 by the Senate for two basic reasons—first, it is our considered judgment that enactment of any feed grain legislation before farmers vote in the multiple-price wheat referendum on May 21 is a surrender to expediency and is unwise and unfair to both wheat and feed grain producers. Second, it is our belief that H.R. 4997 is a bad bill and that it would be harmful to farmers, consumers, and taxpayers. It also gives the Secretary of Agriculture unprecedented authority to make compensatory payments which should not be given to any Secretary.

For the Congress to seriously consider feed grain legislation before farmers vote in the May 21 wheat referendum is unfair to all farmers for the following reasons.

(1) Should the multiple-price wheat program be approved in the upcoming referendum, one set of circumstances will prevail. In such a case, the Congress then should spell out the conditions under which wheat may be grown on feed grain acres to avoid undue disruption of the feed grain and livestock situations. If, on the other hand, wheat farmers vote "no" in the referendum, this will create substantially different conditions for the producers of wheat, feed grains, and livestock. If the wheat referendum should fail, the Congress certainly would want to reanalyze the entire wheat, feed grain, livestock, dairy, and poultry situations in order to be fair and reasonable with the farmers of this country. For the Senate to approve this bill at this time, ties our hands because we do not know how farmers will vote in the all-important wheat referendum.

(2) Action to enact this feed grain legislation prior to the wheat referendum would widely and justly be interpreted as an effort to influence the vote in the referendum. Many advocates of this legislation admit that such is their purpose.

The greatest pressure for action on feed grains at this time comes from those who think that the enactment of feed grain legislation would encourage a "yes" vote by creating the feeling among wheat producers they will be able to shift millions of acres of feed grains to wheat under the multiple-price plan.

More important, it is also apparent to those pushing for the enactment of feed grain legislation at this time that this would influence a "yes" vote by causing farmers to think that Congress has closed the door against the enactment of any additional wheat legislation this year after the referendum. If feed grain legislation is not passed at this time, farmers in our opinion will have a much better chance of getting constructive legislation for feed grains and wheat enacted by this Congress especially if the wheat referendum fails.

It is our feeling that the Congress should not in any way try to influence the outcome of the wheat referendum being voted on by wheat producers. We, therefore, should not enact any feed grain legislation until the results of the referendum are known and the

decision of wheat farmers made clear not only to Congress but to all our citizens.

(3) It is too early to know much about the actual results of the 1963 feed grain program. Procedures have signed up to divert only 19.4 percent of their feed grain base acreage this year in comparison with 26.5 percent in 1962 and 26.1 percent in 1961. Participating farmers have agreed to divert only 25.7 million acres this year in comparison with 32.7 million acres in 1962. In the meantime (for some unknown reason), the total number of base acres has been adjusted upward from 123.3 million in 1962 to 132.3 million in 1963. The 1963 feed grain program is materially different than the 1961-62 programs and apparently will be much less effective for dollar spent. As H.R. 4997 has many of these same new features in it that were added to the 1963 program, it is our judgment that we should wait and see what the actual accomplishments may be before rushing forward with an extension of such a program.

(4) As everyone in the Senate knows, there will be ample time for the Congress to consider 1964 feed grain legislation after the wheat referendum. Practically all feed grains are spring planted. There will be ample time for Congress to consider further legislation for wheat and feed grains at the same time after the outcome of the May 21 wheat referendum.

It is our belief that H.R. 4997 is not a good bill and should not be passed by Congress. Our principal objections to this bill are:

(1) Under this bill the Secretary would be given complete discretionary authority to fix the amount of compensatory (Brannan-type) payments. We vigorously oppose compensatory payments because such payments would force consumers to pay a part of their food costs through taxes—rather than full value at the market. This is nothing but a trap for producers. Ultimately, the payment approach also would be a trap for consumers since it would encourage inefficiency and, thereby, result in high real costs of food.

(2) This bill grants far too much authority and discretion to the Secretary of Agriculture. Among other things, the Secretary would be given authority to determine (a) whether a feed grain diversion program shall be in effect; (b) the level at which feed grain prices are to be supported within a range of 65 to 90 percent of parity; (c) the percentage of base acreage (up to a maximum of 50 percent) a producer must divert to participate; (d) the rate at which diversion payments would be made (up to a maximum of 50 percent) of the support rate times the normal yield of the acreage diverted; and (e) the portion of the support price that is to be made available through compensatory payments to producers. In our judgment it is extremely dangerous to farmers—and to everyone else for that matter—for Congress to abrogate its own authority and to grant such sweeping authority to any Secretary.

(3) The USDA has established the total direct cost for the 1961 and 1962 feed grain programs at \$1.7 billion. This heavy expenditure cannot be justified in light of the accomplishments of the program. USDA records show that over 90 percent of the reduction in feed grain carryover was due to factors other than reduced production of the grains covered by the program. Increased use has been the major factor in reducing the carryover. In this regard, a little known fact is that feed grain production actually went up—not down—in 1962

as compared to 1961. Furthermore, the dumping of CCC grains under these programs has contributed largely to an increase in livestock, dairy, and poultry production and has severely depressed the prices received by producers of these commodities.

Indications are that the 1963 feed grain program will be more costly and less effective. The USDA has already indicated that direct payments to farmers under the 1963 feed grain program will be considerably in excess of \$900 million. By combining compensatory payments on the normal yield of the acres planted with diversion payments, the 1963 program (a) discriminates against the producers who want to reduce production more than the minimum required for participation; (b) provides a form of free crop insurance to cooperators; and (c) forces the Government to pay out millions of dollars in compensatory payments on grain that is produced solely for use on the farm where grown. We should not enact this wasteful program for 2 more years.

We strongly urge the Senate not to approve H.R. 4997 but rather to delay any action on feed grains until wheat farmers have made their decision in the wheat referendum on May 21. There will be ample time after that date to thoroughly review the whole wheat, feed grain, livestock, dairy, and poultry situations and for the Senate to take appropriate and wise action that will not penalize any group of farmers but will be helpful to all our farmers, and to the general public.

CHANGES IN H.R. 4997 FROM THE 1963 FEED GRAIN PROGRAM

H.R. 4997 is basically a 2-year extension of the 1963 feed grain program with the following major changes:

(1) The Secretary is given discretion to set the direct payment and the loan at any combination that will result in a level of support from 65 to 90 percent of parity. This would permit the Secretary wide-open discretion to substantially lower the loan rate and dramatically raise the compensatory payment rate. This action would automatically lower the resale price of surplus grains held by CCC, and thus add a new confusing factor to artificially depress market prices.

(2) The Secretary is given discretion to set the percentage of diversion required in order for the producer to qualify for price support (up to 50 percent).

(3) Adds a provision whereby "new producers" (i.e., those farmers who for some reason did not plant feed grains in the 1959-60 period) could obtain a feed grain base, and after 1 year, receive diversion payments and price support.

(4) Allows under certain circumstances the interchange of wheat and oats and rye acreages.

(5) Changes the basic price support law to require as a condition of eligibility for price support in the event that no acreage diversion program is in effect that the producer comply with the farm base acreage.

(6) Limits both direct and diversion payments to payment in kind, which, in turn, is affected by the CCC resale price which, in turn, is subject to the wide discretionary authority of the Secretary of Agriculture. Farmers could, however, continue to receive cash in lieu of the actual grain.

(7) Allows advance payments (up to 50 percent) at signup time not only for diversion, but also on the direct-payment portion of the

price support. This, in effect, provides a producer with a portion of his price support price prior to the checking of his performance.

TABLES ATTACHED

The following tables are included to illustrate the costs and results of the 1961 and 1962 feed grain programs.

SPESSARD L. HOLLAND.
JAMES O. EASTLAND.
GEORGE D. AIKEN.
BOURKE B. HICKENLOOPER.
J. CALEB BOGGS.
E. L. MECHEM.

TABLE I.—*Factors in the reduction of feed grain stocks*

[Million tons]

| | 1961 | 1962 | Total for 1961-62 |
|--|-------|-------|----------------------|
| Total reduction in carryover..... | 12.9 | 10.8 | 23.7 |
| Reduction in production from 1960 of crops covered by program: | | | |
| Corn..... | 7.9 | 7.4 | 15.3 |
| Grain sorghum..... | 4.0 | 3.1 | .71 |
| Barley..... | | .0 | .0 |
| Total..... | 11.9 | 10.5 | 22.4 |
| Reduction in production from 1960 of crops not covered by program: | | | |
| Barley..... | 0.8 | | 0.8 |
| Oats..... | 2.3 | 2.0 | 4.3 |
| Total..... | 3.1 | 2.0 | 5.1 |
| Increase in utilization from 1960 marketing year..... | 8.1 | 8.3 | 16.4 |
| Net effect of reduction in production of crops not covered by program and increase in utilization on carryover..... | -11.2 | -10.3 | -21.5 |
| Reduction in carryover due to feed grain program..... | 1.7 | 0.5 | 2.2 |

NOTE.—It may be argued that the carryover would have increased if there had been no feed grain program. The point, however, is that the program has done little except to stop the buildup. The reduction in accumulated stocks is almost entirely due to increased utilization and reduced production of feed crops not covered by the program.

The total direct costs of our 2-year experience with the feed grain program have exceeded \$1.7 billion.

TABLE II.—*Direct costs of the 1961 and 1962 feed grain programs*

[Million dollars]

| Payments to— | 1961 | 1962 | Total, 1961 and 1962 |
|------------------------------|------|-----------------|-------------------------|
| Corn producers..... | 765 | | |
| Sorghum producers..... | | 854 | 1,619 |
| Barley producers..... | | 42 | 42 |
| Administrative expenses..... | 42 | ¹ 42 | 84 |
| Total..... | 807 | 938 | 1,745 |

¹ Assumed to be the same as for 1961.

Indirect costs resulting from the policy of dumping CCC grain to penalize nonparticipants will add \$200 million or more to the total cost of the 1961 and 1962 programs.

TABLE 2.—Payments under 1961 and 1962 feed grain programs cumulative from inception through Jan. 31, 1963 ¹

| State | 1961 | 1962 |
|---------------------|----------------|----------------|
| Maine..... | \$15,192.81 | \$20,128.18 |
| New Hampshire..... | 50,175.68 | 45,926.05 |
| Vermont..... | 7,195.14 | 12,753.21 |
| Massachusetts..... | 929.14 | 1,481.24 |
| Rhode Island..... | 47,968.04 | 84,587.90 |
| Connecticut..... | 6,682,800.36 | 6,547,078.96 |
| New York..... | 1,895,972.70 | 2,356,405.53 |
| New Jersey..... | 6,821,336.60 | 8,149,306.66 |
| Pennsylvania..... | 42,674,824.43 | 36,603,994.99 |
| Ohio..... | 54,742,969.80 | 53,706,966.78 |
| Indiana..... | 87,817,582.63 | 87,505,791.53 |
| Illinois..... | 18,320,677.52 | 21,259,519.17 |
| Michigan..... | 23,462,051.07 | 25,835,092.65 |
| Wisconsin..... | 46,213,009.54 | 53,970,447.50 |
| Minnesota..... | 107,620,556.78 | 121,569,584.71 |
| Iowa..... | 69,328,457.38 | 64,850,552.21 |
| Missouri..... | 5,507,579.19 | 13,589,872.53 |
| North Dakota..... | 15,775,983.08 | 15,608,599.32 |
| South Dakota..... | 66,788,199.59 | 68,025,510.09 |
| Nebraska..... | 55,209,166.28 | 44,164,064.60 |
| Kansas..... | 1,511,602.28 | 1,479,352.31 |
| Delaware..... | 3,127,734.51 | 3,035,486.48 |
| Maryland..... | 4,373,162.98 | 6,293,070.89 |
| Virginia..... | 407,098.21 | 748,375.98 |
| West Virginia..... | 16,231,578.73 | 20,828,623.99 |
| North Carolina..... | 4,198,903.27 | 6,009,777.87 |
| South Carolina..... | 6,574,272.08 | 11,941,776.63 |
| Georgia..... | 2,466,460.80 | 3,227,494.06 |
| Florida..... | 17,723,194.20 | 18,204,191.76 |
| Kentucky..... | 11,867,721.84 | 14,822,371.68 |
| Tennessee..... | 7,649,355.90 | 10,338,427.09 |
| Alabama..... | 5,285,687.01 | 7,706,405.34 |
| Mississippi..... | 2,212,219.46 | 2,788,502.10 |
| Arkansas..... | 2,170,378.73 | 3,105,747.03 |
| Louisiana..... | 8,782,070.88 | 9,653,284.40 |
| Texas..... | 59,601,429.43 | 64,569,628.14 |
| Montana..... | 601,921.97 | 1,727,066.88 |
| Idaho..... | 337,262.98 | 1,697,980.91 |
| Wyoming..... | 378,164.83 | 516,190.34 |
| Colorado..... | 6,327,776.98 | 6,755,320.29 |
| New Mexico..... | 2,635,342.22 | 2,838,522.31 |
| Arizona..... | 2,192,877.84 | 3,230,211.20 |
| Utah..... | 355,815.37 | 694,427.68 |
| Nevada..... | 25,143.44 | 15,873.04 |
| Washington..... | 1,058,388.46 | 2,931,744.15 |
| Oregon..... | 822,942.54 | 2,361,277.57 |
| California..... | 4,397,794.42 | 10,091,095.41 |
| U.S. total..... | 782,198,929.12 | 841,519,853.34 |

¹ Based on data compiled by Fiscal Division, ASCS, Feb. 26, 1963, and subject to revision after final reports are obtained from State and county ASCS offices.



Calendar No. 154

88TH CONGRESS
1ST SESSION

H. R. 4997

[Report No. 172]

IN THE SENATE OF THE UNITED STATES

APRIL 30, 1963

Read twice and referred to the Committee on Agriculture and Forestry

MAY 9, 1963

Reported by Mr. ELLENDER, without amendment

AN ACT

To extend the feed grain program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Feed Grain Act of 1963."

4 SEC. 2. Section 105 of the Agricultural Act of 1949, as
5 amended, is amended—

6 (1) by changing the period at the end of subsec-
7 tion (a) to a colon and adding the following: "*Provided,*
8 That in the case of any crop for which an acreage diver-
9 sion program is in effect for feed grains, the level of
10 price support for corn of such crop shall be at such level
11 not less than 65 per centum or more than 90 per centum

1 of the parity price therefor as the Secretary determines
2 necessary to achieve the acreage reduction goal estab-
3 lished by him for the crop.”

4 (2) by adding the following new subsection (d) :

5 “(d) The provision of this subsection shall be applicable
6 with respect to the 1964 crop and the 1965 crop of
7 feed grains if an acreage diversion program is in effect
8 under section 16 (h) of the Soil Conservation and Domestic
9 Allotment Act, as amended. The Secretary shall require
10 as a condition of eligibility for price support on the crop
11 of any feed grain which is included in the acreage diversion
12 program that the producer shall participate in the diversion
13 program to the extent prescribed by the Secretary, and, if
14 no diversion program is in effect for the 1964 crop or
15 the 1965 crop, he may require as a condition of eligibility
16 for price support on such crop of feed grains that the
17 producer shall not exceed his feed grain base: *Provided,*
18 That the Secretary may provide that no producer of malting
19 barley shall be required as a condition of eligibility for price
20 support for barley to participate in the acreage diversion
21 program for feed grains if such producer has previously pro-
22 duced a malting variety of barley, plants barley only of an
23 acceptable malting variety for harvest, does not knowingly
24 devote an acreage on the farm to barley in excess of 110 per
25 centum of the average acreage devoted on the farm to barley

1 in 1959 and 1960, does not knowingly devote an acreage on
2 the farm to corn and grain sorghums in excess of the average
3 acreage devoted on the farm to corn and grain sorghums in
4 1959 and 1960, and does not devote any acreage devoted
5 to the production of oats and rye in 1959 and 1960 to the
6 production of wheat pursuant to the provisions of section 328
7 of the Food and Agriculture Act of 1962. Such portion of
8 the support price for any feed grain included in the acreage
9 diversion program as the Secretary determines desirable to
10 assure that the benefits of the price support and diversion
11 programs inure primarily to those producers who cooperate
12 in reducing their acreage of feed grains shall be made avail-
13 able to producers through payments in kind. Such payments
14 in kind shall be made on the number of bushels of such feed
15 grain determined by multiplying the actual acreage of such
16 feed grain planted on the farm for harvest by the adjusted
17 average yield per acre. The base period used in determining
18 such adjusted average yield shall be the same as that used
19 for purposes of the acreage diversion program formulated
20 under section 16 (h) of the Soil Conservation and Domestic
21 Allotment Act, as amended. The Secretary may make not
22 to exceed 50 per centum of any payments hereunder to
23 producers in advance of determination of performance. Such
24 payments in kind shall be made through the issuance of
25 negotiable certificates which the Commodity Credit Corpora-

tion shall redeem for feed grains (such feed grains to be valued by the Secretary at not less than the current support price minus that part of the current support price made available through payments in kind, plus reasonable carrying charges) and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. The Secretary shall provide for the sharing of such certificates among the producers on the farm on the basis of their respective shares in the crop produced on the farm with respect to which such certificates are issued, or the proceeds therefrom. If the operator of the farm elects to participate in the acreage diversion program, price support for feed grains included in the program shall be made available to the producers on such farm only if such producers divert from the production of such feed grains in accordance with the provisions of such program an acreage on the farm equal to the number of

1 . acres which such operator agrees to divert, and the agree-
2 ment shall so provide.”

3 SEC. 3. Section 16 of the Soil Conservation and Domes-
4 tic Allotment Act, as amended, is amended by adding the
5 following new subsection:

6 “(h) Notwithstanding any other provision of law—

7 “(1) For the 1964 crop and the 1965 crop of feed
8 grains, if the Secretary determines that the total supply
9 of feed grains will, in the absence of an acreage diversion
10 program, likely be excessive, taking into account the
11 need for an adequate carryover to maintain reasonable
12 and stable supplies and prices of feed grains and to meet
13 any national emergency, he may formulate and carry
14 out an acreage diversion program for feed grains, with-
15 out regard to provisions which would be applicable to
16 the regular agricultural conservation program, under
17 which, subject to such terms and conditions as the Secre-
18 tary determines, conservation payments in amounts de-
19 termined by the Secretary to be fair and reasonable shall
20 be made to producers who divert acreage from the pro-
21 duction of feed grains to an approved conservation use
22 and increase their average acreage of cropland devoted in
23 1959 and 1960 to designated soil-conservation crops or
24 practices including summer fallow and idle land by an

1 equal amount. Payments shall not be made in amounts
2 in excess of 50 per centum of the estimated basic county
3 support rate, including that part of the support price
4 made available through payments in kind, on the normal
5 production of the acreage diverted from the commodity
6 on the farm based on its adjusted average yield per
7 acre. Notwithstanding the foregoing provisions, the
8 Secretary may permit such diverted acreage to be de-
9 voted to the production of guar, sesame, safflower, sun-
10 flower, castor beans, mustard seed, and flax, if he de-
11 termines that such crops are not in surplus supply and
12 will not be in surplus supply if permitted to be grown
13 on the diverted acreage, subject to the condition that
14 payment with respect to diverted acreage devoted to any
15 such crop shall be at a rate determined by the Secretary
16 to be fair and reasonable, taking into consideration the
17 use of such acreage for the production of such crops,
18 but in no event shall the payment exceed one-half
19 the rate which would otherwise be applicable if such
20 acreage were devoted to conservation uses, and no price
21 support shall be made available for the production of any
22 such crop on such diverted acreage. The base period
23 for the purpose of determining the adjusted average
24 yield in the case of payments with respect to the 1964
25 crop shall be the four-year period 1959-1962, and in

the case of payments with respect to the 1965 crop shall be the five-year period 1959-1963. The term 'feed grains' means corn, grain sorghums, barley, and, if for any crop the producer so requests for purposes of having acreage devoted to the production of wheat considered as devoted to the production of feed grains, pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962, the term 'feed grains' shall include oats and rye: *Provided*, That acreages of corn, grain sorghums, and barley shall not be planted in lieu of acreages of oats and rye: *Provided further*, That the acreage devoted to the production of wheat shall not be considered as an acreage of feed grains for purposes of establishing the feed grain base acreage for the farm for subsequent crops. Such feed grain diversion program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The acreage eligible for participation in the program shall be such acreage (not to exceed 50 per centum of the average acreage on the farm devoted to feed grains in the crop years 1959 and 1960 or twenty-five acres, whichever is greater) as the Secretary determines necessary to achieve the acreage reduction goal for the crop. Payments shall be made in kind. The average acreage

1 of wheat produced on the farm during the crop years
2 1959, 1960, and 1961, pursuant to the exemption pro-
3 vided in section 335 (f) of the Agricultural Adjustment
4 Act of 1938, prior to its repeal by the Food and Agri-
5 culture Act of 1962, in excess of the small farm base
6 acreage for wheat established under section 335 of the
7 Agricultural Adjustment Act of 1938, as amended, shall
8 be considered as an acreage of feed grains produced in
9 the crop years of 1959 and 1960 for purposes of estab-
10 lishing the feed grain base acreage for the farm, and the
11 rate of payment for diverting such wheat shall be an
12 amount determined by the Secretary to be fair and
13 reasonable in relation to the rates of payment for divert-
14 ing feed grains. The Secretary may make such adjust-
15 ments in acreage and yields as he determines necessary
16 to correct for abnormal factors affecting production, and
17 to give due consideration to tillable acreage, crop-rotat-
18 ion practices, types of soil, soil and water conservation
19 measures, and topography. To the extent that a pro-
20 ducer proves the actual acreages and yields for the farm,
21 such acreages and yields shall be used in making deter-
22 minations. Notwithstanding any other provision of this
23 subsection (l) (1), the Secretary may, upon unanimous
24 request of the State committee established pursuant to
25 section 8 (b) of the Soil Conservation and Domestic

1 Allotment Act, as amended, adjust the feed grain bases
2 for farms within any State or county to the extent he
3 determines such adjustment to be necessary in order to
4 establish fair and equitable feed grain bases for farms
5 within such State or county. The Secretary may make
6 not to exceed 50 per centum of any payments to pro-
7 ducers in advance of determination of performance: *Pro-*
8 *vided*, That in no event shall the Secretary in the crop
9 years 1964 or 1965 make payments to any producers
10 under this section 16 (h) and under section 105 (d)
11 of the Agricultural Act of 1949, as amended, in excess
12 of 20 per centum of the fair market value of any acreage
13 involved. Notwithstanding any other provision of this
14 subsection (h) (1), barley shall not be included in the
15 program for a producer of malting barley exempted pur-
16 suant to section 105 (d) of the Agricultural Act of 1949
17 who participates only with respect to corn and grain
18 sorghums and does not knowingly devote an acreage on
19 the farm to barley in excess of 110 per centum of the
20 average acreage devoted on the farm to barley in 1959
21 and 1960.

22 “(2) Notwithstanding any other provision of this
23 subsection, not to exceed 1 per centum of the estimated
24 total feed grain bases for all farms in a State for any
25 year may be reserved from the feed grain bases estab-

1 lished for farms in the State for apportionment to farms
2 on which there were no acreages devoted to feed grains
3 in the crop years 1959 and 1960 on the basis of the
4 following factors: Suitability of the land for the produc-
5 tion of feed grains, the past experience of the farm
6 operator in the production of feed grains, the extent to
7 which the farm operator is dependent on income from
8 farming for his livelihood, the production of feed grains
9 on other farms owned, operated, or controlled by the
10 farm operator, and such other factors as the Secretary
11 determines should be considered for the purpose of
12 establishing fair and equitable feed grain bases. An
13 acreage equal to the feed grain base so established for
14 each farm shall be deemed to have been devoted to feed
15 grains on the farm in each of the crop years 1959 and
16 1960 for purposes of this subsection except that pro-
17 ducers on such farm shall not be eligible for conservation
18 payments for the first year for which the feed grain base
19 is established.

20 “(3) There are hereby authorized to be appro-
21 priated such amounts as may be necessary to enable the
22 Secretary to carry out this section 16 (h) .

1 “(4) The Secretary shall provide by regulations
2 for the sharing of payments under this subsection among
3 producers on the farm on a fair and equitable basis and
4 in keeping with existing contracts.

5 “(5) Payments in kind shall be made through the
6 issuance of negotiable certificates which the Commodity
7 Credit Corporation shall redeem for feed grains and,
8 notwithstanding any other provision of law, the Com-
9 modity Credit Corporation shall, in accordance with
10 regulations prescribed by the Secretary, assist the pro-
11 ducer in the marketing of such certificates. In the
12 case of any certificate not presented for redemption
13 within thirty days of the date of its issuance, reason-
14 able costs of storage and other carrying charges, as
15 determined by the Secretary, for the period beginning
16 thirty days after its issuance and ending with the date
17 of its presentation for redemption shall be deducted from
18 the value of the certificate. Feed grains with which
19 Commodity Credit Corporation redeems certificates pur-
20 suant to this paragraph shall be valued at not less than
21 the current support price, minus that part of the current

1 support price made available through payments in kind,
2 plus reasonable carrying charges.

3 “(6) Notwithstanding any other provision of law,
4 the Secretary may, by mutual agreement with the pro-
5 ducer, terminate or modify any agreement previously
6 entered into pursuant to this subsection if he determines
7 such action necessary because of an emergency created
8 by drought or other disaster, or in order to prevent or
9 alleviate a shortage in the supply of feed grains.”

10 SEC. 4. Section 326 of the Food and Agriculture Act
11 of 1962, as amended, is amended by deleting the word
12 “and” immediately preceding “(g)” and inserting imme-
13 diately after “(g)” the following: “and (h)”.

Passed the House of Representatives April 25, 1963.

Attest:

RALPH R. ROBERTS,

Clerk.

88TH CONGRESS
1ST SESSION

H. R. 4997

[Report No. 172]

AN ACT

To extend the feed grain program.

APRIL 30, 1963

Read twice and referred to the Committee on
Agriculture and Forestry

MAY 9, 1963

Reported without amendment

H. R. 4997

IN THE SENATE OF THE UNITED STATES

MAY 9, 1963

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. ALLOTT to the bill (H.R. 4997) to extend the feed grain program, viz:

1 On page 3, line 7, strike out the period immediately after
2 “1962” and insert in lieu thereof a colon and the following:
3 *“Provided further, That no producer of Moravian barley shall*
4 *be required as a condition of eligibility for price support on*
5 *any feed grain other than Moravian barley to participate in*
6 *an acreage diversion program for such barley.”*

7 On page 9, line 21, strike out the period after “1960” and
8 insert a semicolon in lieu thereof and the following: “and
9 notwithstanding any other provision of this subsection, the
10 acreage diversion program provided for herein shall not apply
11 to Moravian type barley.”

Amdt. No. 73

Calendar No. 154

**88TH CONGRESS
1st Session**

H. R. 4997

AMENDMENTS

Intended to be proposed by Mr. ARNOTT to the bill (H.R. 4997) to extend the feed grain program.

May 9, 1963

Ordered to lie on the table and to be printed

TABLE 7.—Composition of U.S. exports and imports of steel, by major product groupings—Continued

| Product grouping | 1955 | | 1957 | | 1959 | | 1961 | | 1962 | | 1962 average value per ton |
|--|---------------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|------------------|----------------------------|
| | Thousand short tons | Percent of total | Thousand short tons | Percent of total | Thousand short tons | Percent of total | Thousand short tons | Percent of total | Thousand short tons | Percent of total | |
| Ingots, blooms, billets, and slabs, etc. | 146 | 15 | 8 | 1 | 92 | 2 | 179 | 6 | 171 | 4 | \$78 |
| Skelp | | | | | (1) | (1) | 1 | (1) | 4 | (1) | 89 |
| Wire rods | 48 | 5 | 55 | 5 | 448 | 10 | 451 | 14 | 645 | 16 | 96 |
| Structural shapes and piling | 110 | 11 | 269 | 23 | 506 | 12 | 293 | 9 | 374 | 9 | 98 |
| Plates | 2 | (1) | 22 | 2 | 291 | 7 | 37 | 1 | 150 | 4 | 93 |
| Rails and accessories | 7 | 1 | 5 | (1) | 10 | (1) | 23 | 1 | 12 | (1) | 95 |
| Concrete reinforcing bars | 159 | 16 | 160 | 14 | 852 | 19 | 583 | 18 | 607 | 15 | 73 |
| Other bars and tool steel | 130 | 13 | 103 | 9 | 487 | 11 | 324 | 10 | 358 | 9 | 112 |
| Pipe and tubing | 77 | 8 | 191 | 16 | 553 | 12 | 521 | 16 | 655 | 16 | 143 |
| Wire nails | 131 | 14 | 135 | 12 | 305 | 7 | 245 | 8 | 271 | 7 | 139 |
| Barbed wire | | | 63 | 5 | 78 | 2 | 82 | 3 | 67 | 2 | 131 |
| Wire fencing | 113 | 12 | 30 | 3 | 79 | 2 | 60 | 2 | 73 | 2 | 130 |
| Other wire and wire products | | | 71 | 6 | 239 | 5 | 175 | 6 | 244 | 6 | 185 |
| Sheet and strip | 47 | 5 | 41 | 4 | 385 | 9 | 171 | 5 | 333 | 9 | 163 |
| Tin mill products | (1) | (1) | (1) | (1) | 67 | 2 | 19 | 1 | 56 | 1 | 160 |
| Total | 970 | 100 | 1,153 | 100 | 4,392 | 100 | 3,164 | 100 | 4,100 | 100 | 118 |

(1) Less than 1/2 of 1 percent or less than 500 short tons.

Source: American Iron & Steel Institute and basic data of Bureau of the Census.

Mr. DOUGLAS. In the case of barbed wire, our exports fell from 45,000 tons to 2,000 tons, or virtually disappeared, whole imports were increasing from 113,000 to 374,000—a large increase.

THIRD COUNTRY RATES

Another factor needs to be probed. That is the question of rates to third countries. This may be the most important of all. We were able to cover it only in a glancing way. Mr. Lederer testified that it is his general impression that rates from Europe to the northern ports of South America, which would be Venezuela, Colombia and Panama, were very much lower than our ocean freight rates from Galveston, despite the fact that the distances from Galveston to these North and South American ports are very much less. We desire to go into this subject more thoroughly, but this may be the most serious obstacle of all under which we are operating, because it will penalize our trade with third countries and not merely with the continent of Europe or with Japan.

SHOCKING SITUATION

Mr. President, this is a shocking matter and one for which we have every right for both an explanation and action. It is amazing that the Maritime Commission came before us and pleaded ignorance about an industry which they are supposed to regulate. What efforts and zeal they expended on this matter seem to have been in the single area of the comparative costs of loading and unloading baby carriages. They felt no obligation apparently even to inquire into these matters and to protect the interests of American industry and of the United States. Apparently they have sat back in their handsome building merely waiting for complaints and litigants to come to them. They pleaded lack of staff when they had what those of us in the legislative branch would consider to be an army to help them. But they had no memory even of requesting additional staff for this purpose.

A serious question arises why this Commission, which has primary jurisdiction over these matters, had apparently never raised its voice to protect the American exporter, American industry, and the American public. They apparently have never disapproved a

Conference rate on their own initiative—although they have that power—and have really not acted to protect our interests even in the face of a great loss of steel exports and a great increase in imports. This is true even though the testimony we received was that the differentials in the Conference rates between the charges for our exports and the charges on imports in the same ships going to the same places was, in some cases, almost double, and in many cases, represented absolute amounts which were more than 10 percent of the price of the product. These facts, in and of themselves, could explain why some of our products are unable to compete abroad.

NATURE OF SHIPPING CONFERENCES

Mr. President, we should go more thoroughly into the nature of international shipping conferences. I am told that the record seems to show that as of the end of August 1961, a total of 105 active steamship conferences were operating over trade routes directly involving U.S. commerce. In at least 13 of those conferences there are no American-flag lines, and in another 30 only 1 American-flag line is an active participant. In about 93 of those conferences Americans are outnumbered. We are not certain yet exactly to what extent. The voting powers are distributed inside the conferences, possibly on the basis of the number of ships, possibly on the tonnage. But that subject needs to be probed. We are hopelessly outnumbered in the conferences.

The conferences are divided into two groups. First, there are the outbound conferences, which deal with commerce from the United States to other ports. There are only three of those. They are between the United States and Europe, and between the Pacific coast and Japan, and between the gulf and Europe. Perhaps I should refer to the first, the North Atlantic Trade Conference.

The inbound trade from Europe to the United States has 21 conferences, and their headquarters are entirely in European countries, Brussels being 1 of the major centers. The outbound conference fixes rates going out, the inbound conference fixes rates coming in. But the inbound rates are nearly always

lower than the outbound rates. We should watch both sets of rates. We should reduce the outbound rates and probably there should be an increase in the inbound rates.

Mr. President, I hope we can find an explanation for this problem and act to rectify it.

One question is, Why have not the shippers complained? That is a mystery. I do not happen to have a definite answer. Perhaps they have despaired from getting action from the Commission, as two of the groups apparently did. I do not wish to insinuate, but it may be that some of the shippers have their private arrangements with the shipping lines.

It may be that shippers have their private deals with the shipping lines. It may be that industries are afraid to complain for fear that shipping will not be available to them when it is needed. It may be that there are some gentlemen's international agreements on markets and who is to be dominant in the trade of particular items. No doubt such excuses will be made, but it certainly appears that American goods over a wide range of products are being discriminated against by the official rates set by these international cartels, which our Maritime Commission has the power to break up, but which it has refused to deal with.

These facts throw some light on the question as to why our exports of steel have diminished and why imports have increased. Some spokesmen for the steel industry have laid the blame on wage rates. The record indicates that increased wage rates in the United States since 1957-58 have been approximately matched by increases in productivity, so that the labor cost per unit of output has not risen. It has risen about 1 percent in 5 years, if we include white-collar workers as well as blue-collar workers. It has risen about four-tenths of 1 percent if wage workers alone are considered.

The evidence we have produced also seems to indicate that the prices of raw materials in the steel industry—coal, limestone, and iron ore—fell from 6 to 9 percent during this time. It is a well-known fact that the cost of raw

materials in our country is very much lower than the cost of raw materials in Europe. These two factors, labor costs and material costs make up over 80 percent of the costs of producing steel. As we have seen, they have not gone up but have actually fallen when taken together.

Thus we have not lost our markets in steel due to increased costs.

I suggest that we may find that the steel industry has been barking up the wrong tree, or trying to hang the wrong culprit. A large part of the difficulty may very well lie in the differential freight rates.

ACTION NEEDED

I think the American Government must act to make certain that our goods are not discriminated against. We should make certain that these international cartels do not act in their own interests without considering our national interest. In the complete absence of action by the one agency of the Government which has jurisdiction over this matter, then some other agency must make certain that our interests are protected.

We cannot depend upon the deathbed repentance of the Maritime Administration, after they made such a terrible showing, to think that they would say, the next day, "We are already acting on this matter." If we relax our vigilance, they are likely to do what they did after the Celler committee produced its report 2 years ago. We need constant, unceasing vigilance, scrutiny, and pressure.

Mr. President, this is a shocking and disgraceful situation and the President, the Congress, and the country deserve an explanation of it.

Mr. President, I yield the floor.

THE FEED GRAIN ACT OF 1963

Mr. ALLOTT. Mr. President, the Senate Committee on Agriculture and Forestry has just ordered reported the Feed Grain Act of 1963. Earlier this week I addressed a letter to the distinguished chairman of the committee, the Senator from Louisiana [Mr. ELLENDER], calling his attention to a particular situation existing in Colorado with respect to Moravian Malting barley. This particular barley is grown almost exclusively in the State, and does not contribute to the surplus. In fact, almost the entire production is under contract to a brewery and is used by it for its manufacturing purposes.

In order to indicate how limited is the production of this variety I would call attention to the fact that in the year 1960, according to figures furnished me by the Department of Agriculture, the only States other than Colorado growing any Moravian barley were Montana, with eight-tenths of 1 percent of the total acreage of barley planted, and Wyoming, with 3.6 percent of the total acreage of barley planted. Even more current and significant is the conference report of the Malting Barley Improvement Association held at Milwaukee on January 17, 1963, which shows only Colorado reporting any figures on Moravian Malting barley.

During the year 1962, the Coors Brewery purchased all but 43,000 of the 2,243,000 bushels produced, and the expectations are that the demands will continue and probably increase in each ensuing year.

Under present law, the Secretary of Agriculture has authority to exempt varieties of barley, Moravian included, from the operation of the feed grain program. He has done so in the past but did not in the year 1963, based upon a determination that there were more than normal yields. I submit, however, that Moravian is in a category apart—and does not contribute to a surplus.

This situation was further described in my letter to the distinguished chairman [Mr. ELLENDER] and I ask unanimous consent that my letter may be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 7, 1963.

HON. ALLEN J. ELLENDER,
Chairman, Senate Committee on Agriculture
and Forestry, Washington, D.C.

DEAR MR. CHAIRMAN: During your considerations of H.R. 4997, the Feed Grain Act of 1963, I should like to call to your attention and to the members of the committee a problem with respect to Moravian barley being encountered by constituents in Colorado.

As you know, the present law permits the Secretary of Agriculture to exempt varieties of barley from the operation of the feed grain program. However, the Secretary did not elect to do so for the 1963 crop.

Moravian barley is a good cash crop for growers in Colorado, most of which is purchased by the Coors Brewery of Golden, Colo. Figures furnished to me indicate that in 1962, 2,243,000 bushels of Moravian were grown. Of this amount all save 43,000 bushels was purchased by the brewery. This minuscule remainder was not accepted because of frost damage, growers asking to keep some for special feed use and some that was not within standards.

Under all circumstances, it would appear that Moravian should properly be considered for an exemption from the bill. I would appreciate your reviewing this situation with that in mind. I know that the growers in Colorado would most appreciate favorable consideration being given this request.

Best regards.

Sincerely yours,

GORDON ALLOTT.

Mr. ALLOTT. Mr. President, I shall offer an amendment to H.R. 4997, the effect of which is to exempt this particular barley, Moravian, from the operation of the feed grain program. I send it to the desk, and ask that it be printed and lie on the desk.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. BENNETT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BENNETT. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO J. EDGAR HOOVER

Mr. HICKENLOOPER. Mr. President, the brief remarks I intend to make at the moment I had planned to make tomorrow, as the most appropriate day, but in view of the fact that the Senate plans to adjourn until Monday I should like to make them at this time. They refer to the Director of the Federal Bureau of Investigation, J. Edgar Hoover.

First I wish to quote a philosophical statement with regard to responsibility, from a very great American, as follows:

If I were to try to read, much less answer, all the attacks made on me, this shop might as well be closed for any other business. I do the very best I know how—the very best I can, and I mean to keep doing so until the end. If the end brings me out all right, what is said against me won't amount to anything. If the end brings me out wrong, 10 angels swearing I was right would make no difference.

Those words were spoken by Abraham Lincoln. They described his philosophy of duty.

Thirty-nine years ago tomorrow a young man was appointed to a big job. Through the years this man has followed Mr. Lincoln's philosophy. He has done and continues to do his very best. None can justly refute this statement. The man I speak of is John Edgar Hoover.

J. Edgar Hoover, Director of the Federal Bureau of Investigation.

His name is as famous as any other in this Nation. He is as much a part of Americana as John Glenn, Gen. Douglas MacArthur, Gen. John "Black Jack" Pershing, and John Hancock.

Each of these men and the other thousands of American heroes from colonial days to the present have been and are endowed with a special spirit. It is the spirit which has set them apart from the crowd—the spirit which has given them courage to stand in the face of formidable adversaries—the spirit which has enabled them to lead the United States of America through the greatest of perils to the heights of eminence we enjoy today.

It is the spirit which possessed John Hancock when he so boldly penned his name to the Declaration of Independence.

It is the spirit which passed from "Black Jack" Pershing to his men and gave them the courage and determination to pour out of the trenches and charge to victory over the German Armies in World War I.

It is the spirit which drove General MacArthur back to the Philippines and on across the Pacific to Japan.

It is the spirit which lifted John Glenn into space even before his historic flight of February 20, 1962.

It is the spirit which caused J. Edgar Hoover on May 10, 1924, to set certain conditions on his acceptance of the job of Acting Director of the Bureau of Investigation.

Thank God for this spirit. Thank God for men like J. Edgar Hoover.

My mind, although unencumbered by the restrictions imposed on the thinking of men in so many parts of the world today, cannot imagine this Nation with-

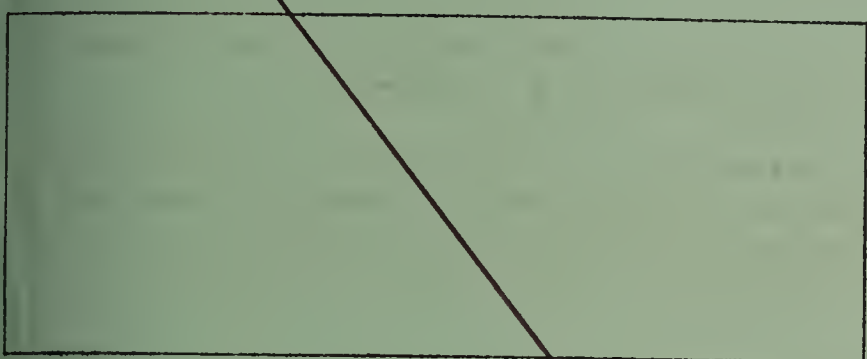
Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued May 14, 1963
For actions of May 13, 1963
88th-1st; No. 70



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HIGHLIGHTS: Senate debated feed grains bill. Senate committee reported International Coffee Agreement. Sen. Talmadge inserted and commended Murphy's New Orleans speech on cotton. House received second conference report on supplemental appropriation bill. Rep. Olsen (Mont.) questioned right of FPC to regulate rural electrification co-ops. Rep. Smith (Ia.) inserted survey showing Iowa Farmers' support of present feed grain programs. Rep. Dole criticized amount of material sent to farm families by ASCS. Several Representatives debated merits of two-price cotton program. House committee approved bill to register contractors of migrant farm workers.

SENATE

- 1. FEED GRAINS.** Began debate on H. R. 4997, to extend the feed grain program to 1964 and 1965 crops (pp. 7815-7, 7822-47). Sen. Holland objected to a proposed unanimous-consent agreement by Sen. Mansfield to limit debate on the bill beginning Wed. (pp. 7840-1).
Sen. Holland submitted (on May 11, during adjournment of the Senate) the minority views of members of the Agriculture and Forestry Committee on this bill, H. R. 4997 (S. Rept. 172). p. 7781
Sens. Miller, Hickenlooper, Dirksen, and Aiken submitted amendments intended to be proposed to this bill, H. R. 4997. p. 7793
- 2. COFFEE.** The Foreign Relations Committee reported the International Coffee Agreement, 1962 (Exec. Rept. 1). p. 7783

3. COTTON. Sen. Talmadge stated that a "new and objective and long-range look at cotton and its future is long over-due," and inserted and commended Under Secretary Murphy's speech in New Orleans reviewing the situation in the cotton industry and proposed legislation on cotton. pp. 7795-6
4. MINERALS; MINING. The Minerals, Materials, and Fuels Subcommittee of the Interior and Insular Affairs Committee voted to report to the full committee S. 164, to provide for the establishment of a national mining and minerals policy. p. D317
5. BUDGETING. Continued consideration of S. 537, to provide for the establishment of a joint Congressional committee on the budget. pp. 7814-5
6. DOMESTIC PEACE CORPS. Both Houses received a S. C. Legislature resolution opposing proposed legislation to provide for the creation of a Domestic Peace Corps (pp. 7782-3, 7867). Sen. Thurmond submitted an amendment to prohibit use of the proposed National Peace Corps in any State except upon the Governor's invitation (pp. 7782-3).
7. NOMINATION. The Banking and Currency Committee reported the nomination of John Prior Lewis to be a member of the Council of Economic Advisers. p. 7783
8. LOBBYING. Sen. Kefauver inserted an article dealing "with the dilemma which most Government lawyers face when they must compete with the army of lobbyists representing private interest groups." pp. 7804-6
9. FOREIGN TRADE. Sen. Magnuson inserted a list of the ships "from the free world which have been discharging cargoes to Communist Cuba" during the period Apr. 5 through May 8, 1963. p. 7817

HOUSE

10. APPROPRIATIONS. Received the second conference report on H. R. 5517, the supplemental appropriation bill for 1963. (H. Rept. 290)(pp. 7852-4, 7903). See Digest 66 for summary of items of interest to this Department.
11. ELECTRIFICATION. Rep. Olsen (Mont.) questioned the right of the Federal Power Commission to "extend its jurisdiction to regulate rural electric cooperatives." p. 7868
12. FEED GRAINS. Rep. Smith (Iowa) inserted a survey showing that Iowa farmers prefer the current feed grain program. pp. 7868-9
13. FARMING PUBLICATION. Rep. Dole criticized the amount of material sent to farm families by ASCS and inserted a letter from a farm family on the matter. p. 7870
14. COTTON. Several Representatives urged that changes be made in the two-price cotton system (pp. 7870-84). Rep. Gross stated that he preferred to do something to "eliminate the punishment to the other industries rather than the textile industry alone" (p. 7880).
15. MIGRANT LABOR. The "Daily Digest" states that the Education and Labor Committee "approved H. R. 6158, to provide for the registration of contractors of migrant agricultural workers (a clean bill to be introduced)." p. D318

(b) The amendment made by subsection (a) (1) shall apply to sales of musical instruments made after the date of enactment of this Act to students of an educational institution (as defined in section 4152 of the Internal Revenue Code of 1954, as amended by this Act).

CONSOLIDATION OF ASSOCIATION OF UNIVERSALIST WOMEN WITH ALLIANCE OF UNITARIAN WOMEN—REPORT OF A COMMITTEE

Mr. SALTONSTALL. Mr. President, there is at the desk a bill reported unanimously this morning from the Committee on the District of Columbia by the Senator from Indiana [Mr. HARTKE].

The Universalist Church and the Unitarian Church, which combined a year ago, have women's organizations. The Universalist Association of Women wishes to be able to join legally with the Alliance of Unitarian Women, which is a nonprofit corporation in Massachusetts.

Both the majority leader and the minority leader have been consulted, and both of them approve; and the District of Columbia Committee is unanimous. There is no opposition to the bill.

Therefore, Mr. President, I request suspension of the rule, so that this measure may be considered at this time; and I hope the bill will be enacted promptly.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1227) to authorize the Association of Universalist Women to consolidate with the Alliance of Unitarian Women, a nonprofit corporation in the State of Massachusetts.

The VICE PRESIDENT. Is there objection to the request of the Senator from Massachusetts?

There being no objection, the Senate proceeded to consider the bill (S. 1227) authorizing the Association of Universalist Women—a nonprofit corporation in the District of Columbia—to consolidate with the Alliance of Unitarian Women—a nonprofit corporation in the State of Massachusetts—which had been reported from the Committee on the District of Columbia with amendments on page 3, line 10, after the word "the," where it appears the first time, to strike out "Superintendent of Corporations" and insert "Commissioners"; after line 12, to insert "As used in this Act, the term 'Commissioners of the District of Columbia' means the Commissioners of the District of Columbia or their designated agent."; and on page 4, line 12, after the word "the," where it appears the second time, to strike out "Superintendent of Corporations" and insert "Commissioners" so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Association of Universalist Women, a corporation established and existing under the laws of the District of Columbia by virtue of title 29, chapter 6, of the District of Columbia Code, 1961 edition, is hereby authorized to enter into a consolidation with the Alliance of Unitarian Women (formerly named National Alliance of Unitarian and Other

Liberal Christian Women), a corporation established and existing under public statutes, chapter 115, of the laws of the Commonwealth of Massachusetts, and Acts in amendment thereto, under which consolidation said corporation shall thereafter become and be one corporation under a name to be adopted at the organizational meeting of the consolidated corporation, which consolidated corporation shall be a corporation existing under the laws of the Commonwealth of Massachusetts, only, and shall in all respects be a continuation of each of said existing corporations.

Sec. 2. Upon such consolidation becoming effective, all property of the Association of Universalist Women, including all bequests, devises, gifts, and transfers of any kind heretofore and hereafter made to or for its benefit, shall be transferred to and vest in the consolidated corporation without further act or deed. Said consolidated corporation shall have the same powers, rights, and privileges with respect to such property and with respect to such bequests, devises, gifts, and transfers as would have been possessed by said consolidated corporation had such bequests, devises, gifts, and transfers been made directly to it and for its purposes, so far as such powers, rights, and privileges can be legally conferred by this Act, and otherwise shall have with respect to such property and such bequests, devises, gifts, and transfers the same powers, rights, and privileges as would have been possessed by the Association of Universalist Women had such consolidation not been effected.

Sec. 3. The consolidated corporation shall be deemed to have assumed and shall be liable for all the liabilities and obligations of the Association of Universalist Women.

Sec. 4. The consolidated corporation shall be deemed to have agreed that it may be sued in the District of Columbia for any obligation or liability of the Association of Universalist Women and shall be deemed to have irrevocably appointed the Commissioners of the District of Columbia as its agent to accept service of process in any action for the enforcement of any such obligation or liability. As used in this Act, the term "Commissioners of the District of Columbia" means the Commissioners of the District of Columbia or their designated agent.

Sec. 5. The consolidation shall not be completed—

(a) unless the same shall have been authorized by appropriate legislation enacted by the Commonwealth;

(b) unless at meetings called for the purpose, each of said existing corporations, by not less than a majority vote of those present and voting, shall have accepted this Act and any act of the legislature of the Commonwealth of Massachusetts relating to the consolidation; and

(c) unless after the aforesaid authorization and acceptance said existing corporations shall have called and held an organization meeting of the consolidated corporation to be held at such time and place anywhere in the United States of America or Canada as said existing corporations may by separate vote designate at such meeting of acceptance, and each of the existing corporations shall at said meeting of acceptance designate its delegates to such organization meeting of the consolidated corporation for the purpose of adopting bylaws for the consolidated corporation and of electing initial officers, directors, and other officers thereof.

Sec. 6. The consolidation shall be complete and effective upon the filing with the Commissioners of the District of Columbia of a certificate signed by the secretaries of said existing corporations who shall make affidavit setting forth detailed compliance with the provisions of section 5 and stating the names and addresses of the administrative board or board of directors and other officers initially elected by said organizing meeting.

Said certificate shall be filed not later than sixty days after the date of said organizing meeting.

SEC. 7. This Act shall take effect immediately.

The VICE PRESIDENT. Without objection, the amendments will be considered en bloc.

The question is on agreeing to the committee amendments.

The amendments were agreed to.

The bill (S. 1227) was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. SALTONSTALL. Mr. President, I thank the majority leader and the acting minority leader.

NATIONAL SERVICE CORPS—AMENDMENT

Mr. THURMOND submitted an amendment, intended to be proposed by him, to the bill (S. 1321) to provide for a National Service Corps to strengthen community service programs in the United States, which was referred to the Committee on Labor and Public Welfare and ordered to be printed.

EXTENSION OF FEED GRAIN PROGRAM—AMENDMENTS

Mr. MILLER submitted an amendment, intended to be proposed by him, to the bill (H. R. 4997) to extend the feed grain program, which was ordered to lie on the table and to be printed.

Mr. HICKENLOOPER submitted amendments, intended to be proposed by him, to House bill 4997, supra, which were ordered to lie on the table and to be printed.

Mr. DIRKSEN submitted an amendment, intended to be proposed by him, to House bill 4997, supra, which was ordered to lie on the table and to be printed.

Mr. AIKEN submitted an amendment, intended to be proposed by him, to House bill 4997, supra, which was ordered to lie on the table and to be printed.

NOTICE OF RECEIPT OF NOMINATION BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that today the Senate received the nomination of Robert C. Strong, of Pennsylvania, to be Ambassador to the Republic of Iraq.

In accordance with the committee rule, this pending nomination may not be considered prior to the expiration of 6 days of its receipt in the Senate.

NOTICE OF HEARING ON NOMINATION OF J. LINDSAY ALMOND, JR., TO BE ASSOCIATE JUDGE OF THE COURT OF CUSTOMS AND PATENT APPEALS

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, May 28, 1963, at 10:30 a.m., in room

2228, New Senate Office Building, on the nomination of J. Lindsay Almond, Jr., of Virginia, to be associate judge of the Court of Customs and Patent Appeals.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKAL], and myself, as chairman.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House insisted upon its amendments to the bill (S. 20) to promote the coordination and development of effective Federal and State programs relating to outdoor recreation, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ASPINALL, Mr. O'BRIEN of New York, Mr. MORRIS, Mr. SAYLOR, and Mr. CHENOWETH were appointed managers on the part of the House at the conference.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the President pro tempore:

H.R. 2842. An act to amend section 3238 of title 18, United States Code; and S.J. Res. 39. Joint resolution designating the week of May 20-26, 1963, as National Actors' Equity Week.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. INOUE:

Address delivered by Gov. John A. Burns, of the State of Hawaii, before the Association of Hawaiian Civic Clubs, Kailua-Kona, Hawaii, on April 19, 1963.

By Mr. JAVITS:

Address delivered by Paul Lewis at the memorial service held in the Adas Israel Synagogue, April 22, 1963.

Resolution adopted by the AMVETS National Executive Committee, in April 1963.

By Mr. KEATING:

Address calling for interfaith conference for moral guidance in television broadcasting, delivered on April 27, 1963, at Cincinnati, Ohio, by Rabbi Maurice N. Eisendrath, before the National Federation of Temple Brotherhoods.

By Mr. ANDERSON:

Editorial entitled "Man on the Moon," published in the Washington Post of May 7, 1963.

Statement by Physicians Committee for Health Care for the Aged Through Social Security, issued on May 6, 1963.

Article entitled "Medical Care for Americans: Who Should Pay the Bills?" published by Center for Information on America, and published in May 1963.

Article entitled "Dies of Heart Attack, Von Karman, Aviation Pioneer," published in the New York Herald Tribune of May 8, 1963; and editorial entitled "The Other Side of Space," published in Missiles & Rockets magazine on May 13, 1963.

By Mr. DOMINICK:

Editorial entitled "We Apologize Too Much," published in the Cincinnati Inquirer, issue of March 31, 1963, relating to our policies in Cuba.

Article entitled "The 10th of May: Rumania's Independence Day."

By Mr. THURMOND:

Editorial entitled "Yes, It Was Plain 'Police Brutality'" published in the Greenville News of Greenville, S.C., May 3, 1963.

Column entitled "The 'Nonviolent' Terrorists" written by Thurman Sensing and published May 12, 1963.

Editorial entitled "Fear-Ridden City, Our Nation's Capital," published in the Spartanburg Herald-Journal of May 12, 1963.

Column entitled "European Nations Loyal, But They Distrust Our Policy," written by Constantine Brown and published in the Nashville Banner May 6, 1963.

Editorial entitled "The Anti-Southern Prejudice" published in the Columbia Record May 8, 1963.

Article entitled "School Prayers and Religious Warfare: Did the Supreme Court Realize What Legal Doors It Was Opening in Its Regents Prayer Decision?—The Author Fears It Did," written by Walter Berns and published in National Review, April 23, 1963.

By Mr. KEFAUVER:

Article entitled "Shaping the Big Stick," published in Newsweek magazine on April 29, 1963.

Article entitled "Such a Lovely Green Valley," published in Time magazine on April 26, 1963.

Excerpt from the TVA Weekly Newsletter of May 8, 1963.

By Mr. HARTKE:

Article entitled "Dr. McKeeby Outstanding GP in State," published in the Press, Binghamton, N.Y., on April 25, 1963.

By Mr. BEALL:

Creed of the Brotherhood of the Jungle Cook; and program of the activities of that organization's Campfire for the year 1963.

By Mr. BYRD of Virginia:

Letter addressed to the presidents of Virginia Chambers of Commerce, written by Mr. Charles H. Boone, president of the Chamber of Commerce of Salem, Va.

Article entitled "A Hospital in Haiti," written by Mr. Clayton Willis, published in the Fauquier Democrat, of Warrenton, Va., on March 14, 1963.

By Mr. SCOTT:

Article entitled "The Future for Foreign Aid," published in the winter issue, 1962-63, of the publication of the Society for the Prevention of World War III, Inc.

By Mr. RANDOLPH:

Article entitled "Who Are Miss Peachy, Honor Man?" in the May 11, 1963, issue of the Morgantown, W. Va., Dominion News; and a list of the 30 high school seniors considered for scholarship awards.

SMOG AND LUNG CANCER

Mr. KUCHEL. Mr. President, recently in Pasadena, Calif., a group of scientists found evidence that lung cancer can result from smog—that is to say, from polluted air. The Federal Government is interested in the elimination of air pollutants, exactly as it is interested in the elimination of pollutants from the water we drink. That is the reason we have passed Federal air pollution laws these past few years.

On April 18, the Los Angeles Times

published a most interesting article on this general subject. Because the Senate will before too long, I hope, be dealing, once again, with air pollution legislation, I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Los Angeles (Calif.) Times, Apr. 18, 1963]

SCIENCE FINDS SUPPORT FOR THEORY SMOG CAN CAUSE LUNG CANCER

(By Harry Nelson)

The first scientific evidence that human lung cells exposed to smoggy air undergo changes characteristic of the early stages of cancer has been reported by a group of Pasadena researchers.

The work, which supports what previously has been intuition that smog can cause lung cancer, was done by Dr. Donald E. Rounds and Dr. C. M. Pomerat and coworkers at the Pasadena Foundation for Medical Research.

Using human lung tissue growing in laboratory dishes, the scientists first exposed the tissue to a chemical used routinely by laboratories for causing cancer.

Then they recorded on motion picture film the changes in the cells which were triggered by the cancer-causing chemical.

The photographs, taken at regular intervals through a microscope, showed that the growth rate was increased and that the cell chromosomes—the carriers of hereditary information—underwent abnormal changes.

Having established the nature of the changes caused by a chemical known to cause cancer, the researchers repeated the experiment with fresh cells but this time exposing them to Pasadena air on smoggy days.

According to Dr. Rounds, the growth rate and the chromosomal abnormalities were nearly identical to those appearing in the first experiment.

"The experiments show there are sufficient carcinogens (cancer-causing chemicals) in the atmosphere to trigger the initial steps toward malignancy," Dr. Rounds said in an interview.

"We can't say that we caused malignancy, but we can say that the changes in the cells were nearly identical to changes appearing when carcinogens are used."

The scientist, who is associate director of the foundation's Division of Cellular Biology, said that a person who breathes smoggy air for 3 minutes will undergo similar changes in his lung tissue.

Why then does not everybody get lung cancer?

Presumably, he said, because most persons have body defense systems efficient enough to clear away the abnormal cells before they have the chance to advance to a malignant state.

LETHAL TO CELLS

In addition, many of the abnormal cells die because the damage to the chromosomes is severe enough to be lethal to the cells.

Dr. Rounds believes that the cancer-causing capacity of smog resides in the particulate matter to which various hydrocarbons become attached.

The gas components of smog—sulfur dioxide and nitrogen oxide, for example—probably are responsible for the congestion, bronchitis and emphysema which are aggravated by smog.

Dr. Pomerat is an internationally recognized tissue culture expert. Tissue culture is the name for the technique of growing tissue in laboratory dishes. It is known that certain kinds of chromosomal abnormalities occur in tissue culture even when the cells are not exposed to toxic or noxious agents.

Mr. MANSFIELD. The Senator is not seeking deferment. This is a decision of the leadership, which should have been discussed with the distinguished senior Senator from Arkansas. Unfortunately, the fault is mine; I did not do so. I hope the Senator will allow us to proceed in this manner.

Mr. McCLELLAN. I will not object. I say to my distinguished friend the majority leader that I try always to cooperate to the end that the proceedings of the Senate may be expedited, to serve the purposes of the leadership. This is a turn of events I had not anticipated or been warned about.

Mr. MANSFIELD. The majority leader is at fault in that respect.

Mr. President, I suggest the absence of a quorum, and I notify the Senate that it will be a live quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll and the following Senators answered to their names:

[No. 71 Leg.]

| | | |
|--------------|---------------|----------------|
| Alken | Hart | Mechem |
| Anderson | Hartke | Metcalf |
| Bartlett | Hayden | Miller |
| Beall | Hickenlooper | Monroney |
| Bible | Hill | Mundt |
| Boggs | Holland | Muskie |
| Brewster | Hruska | Nelson |
| Burdick | Humphrey | Neuberger |
| Byrd, Va. | Inouye | Pearson |
| Byrd, W. Va. | Jackson | Pell |
| Cannon | Javits | Prouty |
| Carlson | Johnston | Proxmire |
| Case | Jordan, N.C. | Ribicoff |
| Church | Jordan, Idaho | Robertson |
| Clark | Keating | Russell |
| Cooper | Kefauver | Saltonstall |
| Dirksen | Kennedy | Scott |
| Dodd | Kuchel | Simpson |
| Dominick | Lausche | Smathers |
| Douglas | Long, La. | Smith |
| Eastland | Long, Mo. | Sparkman |
| Edmondson | Magnuson | Symington |
| Ellender | Mansfield | Talmadge |
| Engle | McCarthy | Thurmond |
| Fong | McClellan | Williams, Del. |
| Fulbright | McGee | Williams, N.J. |
| Goldwater | McGovern | Yarborough |
| Gore | McIntyre | Young, N. Dak. |
| Gruening | McNamara | Young, Ohio |

Mr. HUMPHREY. I announce that the Senator from Indiana [Mr. BAYH], the Senator from Oregon [Mr. MORSE], the Senator from Utah [Mr. MOSS], the Senator from Rhode Island [Mr. PASSARELL], the Senator from Mississippi [Mr. STENNIS], and the Senator from North Carolina [Mr. ERVIN] are absent on official business.

I further announce that the Senator from West Virginia [Mr. RANDOLPH] is necessarily absent.

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Utah [Mr. BENNETT], the Senator from New Hampshire [Mr. CORTON], the Senator from Kentucky [Mr. MORTON] and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Nebraska [Mr. CURTIS] is absent on official business.

The VICE PRESIDENT. A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. BEALL, Mr. BIBLE, Mr. BYRD of Virginia, Mr. BYRD of West Virginia, Mr. CANNON, Mr. CASE, Mr. DODD, Mr. DOUGLAS, Mr. EASTLAND, Mr. ENGLE, Mr. FONG, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. GORE, Mr. HART, Mr. HICKENLOOPER, Mr. HILL, Mr. HRUSKA, Mr. HUMPHREY, Mr. JACKSON, Mr. JAVITS, Mr. JOHNSTON, Mr. KEFAUVER, Mr. LAUSCHE, Mr. LONG of Missouri, Mr. LONG of Louisiana, Mr. MCCARTHY, Mr. MCGEE, Mr. MONRONEY, Mr. MUNDT, Mrs. NEUBERGER, Mr. PELL, Mr. PROUTY, Mr. PROXIMIRE, Mr. RUSSELL, Mr. SALTONSTALL, Mr. SMATHERS, Mrs. SMITH, Mr. SPARKMAN, Mr. TALMADGE, Mr. THURMOND, and Mr. WILLIAMS of New Jersey entered the Chamber and answered to their names.

The VICE PRESIDENT. A quorum is present.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 154, House bill 4997, to extend the feed-grain program.

The VICE PRESIDENT. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 4997) to extend the feed-grain program.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

Mr. DIRKSEN. Mr. President, reserving the right to object, let me say that the distinguished Senator from Iowa [Mr. HICKENLOOPER] is in the Chamber; and, as the next ranking member of the Committee on Agriculture, I defer to him.

Mr. HICKENLOOPER. Mr. President, reserving the right to object, I can only say that the requested procedure is, to say the least, interesting. It is quite important that the legislative budget be acted on by the Senate, for time is passing, and there is a deadline, at least, under the law—although, of course, it can be avoided—for the appropriations, whereas certainly the feed-grain bill cannot possibly take effect until sometime next year, and a feed-grain act is now in operation.

I see no particular reason or urgency at the moment, from the standpoint of the application of the law, for setting aside the legislative budget, in order to take up this feed-grain bill—to which, of course, I am opposed, anyway.

Of course I have respect for the leadership; and if the leadership is reasonably satisfied about this matter, I am realistic enough to believe that there is quite a bit of power behind this bill and in favor of forcing it through at this time. I do not agree with the reason for that or with the purposes behind that activity.

However, so far as I, personally, am concerned, if the leadership desires to have this measure taken up now, I shall not enter any particular objection at the moment. Of course, if I do not enter

objection now, I presume that moment will pass, and the bill will be taken up.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

Mr. DIRKSEN. Mr. President, further reserving the right to object, and speaking for myself, of course I certainly do not wish to obfuscate the legislative process and enter into any kind of arrangement to put this measure into the future. I am fully aware of the fact that there has been a hope that perhaps action on this bill could be delayed until after the wheat referendum on May 21—which, I believe, is a week from tomorrow.

Under the reservation of objection, perhaps I should inquire of the distinguished chairman of the Committee on Agriculture and Forestry whether there is real urgency about this bill or whether some impact is to be gained as a result of having speedy action taken on it in a form under which all amendments may be voted down, so that the bill can be rushed for Executive signature at the earliest possible date.

I am trying to be very candid about this matter, Mr. President, because I know all the discussions which have been in the air, and I have been on the receiving end of a great quantity of mail on this subject; and I know there is an expressed hope—and an organized hope, as a matter of fact—that action on the bill could be deferred, so that it could have no influence or impact on the question of how the farmers will vote a week from Tuesday.

Mr. ELLENDER. Mr. President, that question was brought before the committee; and the committee voted out the bill, in the hope that it would be enacted before May 21. I hope to develop that point in my speech explaining the bill.

Mr. DIRKSEN. Then, Mr. President, according to the distinguished chairman of the committee, there is no question that a majority of the committee favors action on this bill prior to the wheat referendum a week from Tuesday.

Mr. ELLENDER. I would say that that is correct.

Mr. HICKENLOOPER. Mr. President, further reserving the right to object, I am not so certain that I fully agree with the distinguished chairman of the Agriculture and Forestry Committee that a majority of the committee necessarily favored action on this bill prior to May 21 of this month. A majority of the committee voted the bill out of the Committee on Agriculture and Forestry. I think there were mixed emotions in the committee—if we are to speculate as to what went on in the minds of the members of the committee. There were many members who thought that certain amendments to the bill should be considered and should be adopted. There was discussion that the bill should be voted out of the committee and brought to the floor of the Senate and passed, as an influence, if you please, in attempting to secure a "yes" vote in the wheat referendum; and for a considerable period of time there was in the committee a great deal of discussion as to whether that would be proper legislative procedure;

namely, to disregard what seemed to be a rather evident necessity for the adoption of amendments to this measure, which is substantially different from the legislation now on the statute books.

But I must say that philosophy was speedily, expeditiously, and effectively overridden by a majority of the committee; and the bill was ordered to be reported to the Senate.

Again I say I can see no real justification for having the Senate consider this bill at this time, and certainly no necessity for speedy action on it. But be that as it may, apparently it is the order of business which is about to be adopted.

I have said that at this time—and when I say “at this time,” I mean prior to the giving of unanimous consent; and between now and the time when such consent is given, I might have a change of mind—but at this time I am not disposed to necessarily object to the immediate taking up of this measure, although I am bound to register my disapproval of such precipitate methods, and especially the precipitous method by which, really, in my judgment, needed amendments to this bill, in the interests of agriculture in the feed-grain area, were so vigorously voted down by really what might be considered a rather bare majority of the Committee on Agriculture and Forestry.

Many members of the committee know that certain amendments ought to be added to the bill in order, at least, to make the bill conform to or correct certain questions which will have to be corrected in one way or another very shortly. In considering a bill of that kind, which would have such a vital effect upon the feed-grain areas of our country, I see no reason why the committee should not have given the subject extensive attention in order that the bill might be better than the law now on the books. In my judgment the bill is worse than the act now on the books. I merely mention the vast, unlimited, and unprecedented discretion which would be given the Secretary of Agriculture under the measure that we are proposing to put on the books in relation to feed-grain farmers for next year. I think the bill should have been given considerably more study than it was given. But because of my great regard for the leadership, knowing their desire to get along with the business, and their determination, I am not disposed to enter an objection at this moment.

Mr. DIRKSEN. Mr. President, further reserving the right to object, I should like to ask the distinguished chairman of the committee when the report accompanying the bill actually became available to Senators.

Mr. ELLENDER. This morning.

Mr. DIRKSEN. I recall that permission to file the report by midnight on Saturday night was granted, so that actually the report was not available to Senators until this morning—meaning actually this noon. Since Senators were attending to the business of their various committees, they had no time to examine the bill. So under the circumstances it seems to me that Senators have had

scant time to go through the report and make a determination of what they would like to do. It seems to me that it would be a little precipitate to move forward quite so fast. I would be very reluctant to object. I prefer always to leave such action in the hands of the members of the appropriate committees. I do not see the distinguished Senator from Vermont [Mr. AIKEN] in the Chamber at the moment. I conferred with him earlier.

Still under the reservation of objection, I should like to inquire of the distinguished majority leader what he sees by way of a timetable leading to final passage of the bill.

I am informed, though I do not know how reliable my information is, that tomorrow a substantial contingent of Senators may go to Florida to observe the Cooper launching. Of course, if they should go, it would be impossible for them to be present and to discuss the bill. They should have an opportunity to do so. Probably still others could not get ready by today for adequate discussion of the bill.

Mr. MANSFIELD. Mr. President, if any Senator wishes to go to Florida tomorrow to see the launching of Major Cooper, he can be assured of a live pair. I have discussed with the distinguished minority leader the time of convening tomorrow. Tentatively we have mentioned 11 a.m. I would hope that those who may be absent tomorrow would be able to deliver their speeches on the floor of the Senate this afternoon. I am quite sure that all members of the Committee on Agriculture and Forestry would know what to say without the benefit of the report, and should be prepared to make their views known.

Mr. President, when I arrived at my office today, I received in excess of 50 telegrams from Montana asking me to delay bringing up the feed grain bill.

In reply, I dictated a letter in which I stated that on Thursday last I had announced to the Senate that the feed grain bill would become the pending order of business today, that it was my understanding that that was the understanding of the Senate, and I would do my best to bring it up at this time. So I would hope that the leniency, the understanding, and the tolerance shown by the distinguished Senator from Iowa [Mr. HICKENLOOPER] and the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN] would still hold so that we could at least get the bill laid down and debate started in earnest.

Mr. DIRKSEN. Mr. President, still speaking under my reservation of objection, I wonder if the majority leader has considered the possibility of a day certain when we might vote on final passage of the bill. I have no desire to obstruct. I desire only that there be an adequate opportunity to discuss the bill in every detail before the vote is taken. It occurred to me that probably sometime on Thursday afternoon next would be perhaps an appropriate time, and would take account of those who will be gone on various missions each of the first day of the week. A vote on Thursday

would satisfy nearly every requirement that I could think of.

Mr. MANSFIELD. Would the Senator be agreeable to a vote on Tuesday?

Mr. DIRKSEN. I doubt it very much.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. HICKENLOOPER. Does the Senator mean a week from tomorrow?

Mr. MANSFIELD. That is the important date, but that is not what I meant.

Mr. DIRKSEN. The Senator from Montana meant tomorrow, I am sure. But even if live pairs could be procured for those who will be gone, still the desire to be heard on the bill would not be satisfied. Perhaps Senators are not ready today, since the report was not received until this morning.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. ELLENDER. I invite the attention of Senators to the fact that the bill under consideration was passed by the House of Representatives on April 25, 1963, and a report was attached to that bill. That bill has been before us during all the time intervening. No change has been made in the bill by the Senate Committee on Agriculture and Forestry. We are now considering the same bill that was voted upon and passed by the House on April 25, 1963.

Mr. DIRKSEN. Mr. President, still speaking under my reservation of objection, I do not know that Senators are required to take judicial notice of what happens in the House 30 days or 60 days ago. Each Senator has his own committees and his own workload to take care of. It cannot be anticipated that Senators would go on a fishing expedition to find out what the House did on a given date. Moreover, a Senator is entitled to the views expressed in the report, the bill, or in an amended bill reported by the body of which he is a part. So I can assign no validity to the argument that my distinguished friend from Louisiana makes on that point.

Mr. MANSFIELD. Mr. President, the time of a possible vote on the bill may be a little premature to discuss. May we discuss it a little later today?

Mr. DIRKSEN. Yes.

Mr. HOLLAND. Mr. President, I am quite agreeable to the suggestion made by one of the distinguished Senators that Thursday be set as the date for the vote. I am not in accord with the view that the vote be taken tomorrow for the simple reason that I do not think Senators have had sufficient opportunity to determine what is in the bill. The only opportunity those of us who serve on the committee, and who have strong convictions on the bill one way or another, will have to communicate the facts which control our convictions to our colleagues will be in argument and in debate. It occurs to me that if we could set final vote for Thursday afternoon, ample discussion today, tomorrow, and Thursday would be allowed.

A sizable number of Senators will be going to Cape Canaveral tomorrow. I am a member of the Committee on Aero-

nautical and Space Sciences. I should like to join my colleagues there tomorrow. But I have canceled my plans to go with my committee, and to my home State, because it seems extremely important to some that this bill be considered at this particular time.

I am not in favor of any prolonged opposition to the measure. I am perfectly willing to vote, let us say, on Thursday. But I want Senators to have an opportunity to discuss the bill. I think this is the worst agricultural bill which has been before the Senate during my service in this body. It not only would adopt, as to feed grains, the Brannan program, but would do a much worse thing. It would not even limit the application of compensatory payments as they were limited under the Brannan program.

I want Senators to realize what they are being asked to do. Therefore, I hope the vote may be set at not earlier than Thursday. I am quite agreeable to give consent to a vote Thursday.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. MANSFIELD. I think the Senator has made a very reasonable request. As always, he is most gracious in his consideration of the problems of the leadership. I know he will understand when I say that I mentioned Tuesday only for bargaining purposes.

I hope to meet later in the afternoon with the distinguished minority leader and other Senators from the Committee on Agriculture and Forestry, and perhaps reach a reasonable agreement which will give every Senator an opportunity to make his views known.

Mr. HOLLAND. I express my appreciation. I shall not object to present consideration of the measure. There will be ample opportunity to discuss it. As I say, I am strongly opposed to it. I wish to state my opposition and the reasons for it, but I understand I shall have an opportunity to do that between now and Thursday. That is why I suggest a vote on Thursday.

Mr. HICKENLOOPER. Mr. President, further reserving the right to object, I say to the majority leader very frankly that if an objection to considering the bill would postpone action on it for an indefinite time or for a substantial period of time, I would have no hesitancy about objecting. I am merely trying to be realistic when I say that an objection at the moment, at least, will not be lodged by me.

The Senator from Florida has again mentioned one very important thing. There are at least three, and perhaps four, Senators who are not on the Committee on Agriculture and Forestry who are vitally interested in this bill and who wish to participate in the discussion of the bill from their standpoint, who, so far as I know, have not yet had an opportunity to see the hearings or the report. On last Friday two of these Senators asked me specifically about the timing of the bill and were very much concerned about it not being acted upon finally in the early part of this week.

They were concerned to the point that they did not want it acted upon at that time.

I hope that before Senators agree to any specific time—to which I would have to object at this moment—we can be given a little time to discuss it with interested Members of the Senate who are not members of the Committee on Agriculture and Forestry, in order to get some views and try to harmonize any final agreement which the leadership may wish to propose to the Senate.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. MANSFIELD. The Senator has that assurance.

Mr. HICKENLOOPER. I thank the Senator from Montana.

The VICE PRESIDENT. Is there objection to the request by the Senator from Montana?

Mr. MILLER. Mr. President, reserving the right to object, I should like to ask the distinguished majority leader what is to happen with respect to S. 537 after the feed grain bill is disposed of.

Mr. MANSFIELD. That will be the pending business. I would hope that we would be able to consider it. There will, of course, be the conference reports on the supplemental appropriation bill and the military procurement bill in between.

Mr. MILLER. But it is the intention of the leadership to consider S. 537 and to dispose of it within a reasonable time?

Mr. MANSFIELD. Yes.

Mr. MILLER. I thank the majority leader.

Mr. DIRKSEN. Mr. President, I have only one further observation to make. The majority leader is in a position to move to set aside S. 537 and to consider the feed grains bill if he so desires. He preferred, however, to ask unanimous consent. I am quite sure that we can agree upon a timetable agreeable to all Senators, so that every Senator will have an opportunity to be heard.

FEED GRAIN ACT OF 1963

The VICE PRESIDENT. Is there objection to the request by the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill (H.R. 4997) to extend the feed grain program.

Mr. MANSFIELD. Mr. President, what is the pending business?

The VICE PRESIDENT. The feed grains bill.

Mr. JOHNSTON. Mr. President, I am in favor of the bill. I went along with 10 other Senators in the committee. The vote was 11 to 6 in the committee. It was not a partisan vote. At that time both Democrats and Republicans voted on both sides of the question.

It was felt in the committee that some legislation should be enacted at this time.

There is a movement on foot, of which I think Senators should be aware, that one group is trying to postpone action until after the referendum vote upon the wheat program, which is before the

farmers. I believe that vote will be on the 21st of this month.

So, if a time to vote could be arranged either Wednesday or Thursday that would be satisfactory to me, and I think it would suit most of the members of the Committee on Agriculture and Forestry.

I hope some agreement can be reached whereby this legislation can be expedited rather than to prolong consideration and take up time of the Senate. Every day spent on this subject will mean keeping other legislation from being considered.

For that reason I hope Senators can agree to a reasonable date on which to consider the bill and dispose of it, after Senators have had an opportunity to speak and express themselves in respect to what the bill would do for agriculture.

FREE WORLD TRADE WITH CUBA

Mr. MAGNUSON. Mr. President, from time to time I have been placing in the CONGRESSIONAL RECORD the number of ships from the free world which have been discharging cargoes to Communist Cuba. I have kept the RECORD up to date. I have today another list of ships for the period April 5 through May 8, 1963.

During the period April 5 through May 8, 1963, 20 free world freighters and tankers totaling 152,953 gross tons discharged their cargoes in Cuba. Great Britain maintained its lead in supplying Castro by providing 77,953 gross tons of the before-mentioned total. During the past 2 weeks alone five vessels flying the Lebanese flag, totaling 35,678 gross tons called in Cuba. A significant first is a Swedish freighter, the *Dagmar*, of 6,490 gross tons.

In the course of the past month through May 8, 1963 the following ships, of the free world arrived in Cuba and unloaded their cargoes. Their flag of registry and gross tonnage is as indicated.

Mr. President, I ask unanimous consent that the list of ships may be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Athelmonarch (tanker), British, 11,192.
Avisfaith, British, 7,868.
Hazelmoor, British, 7,907.
Ho Fung, British, 7,121.
Wendover, British, 9,098.
Ardrowan, British, 7,300.
Fin Hill, British, 7,119.
Maratha Enterprise, British, 7,166.
Vercharmian, British, 7,265.
Yungfaiuary, British, 5,388.
Aldebaran (tanker), Greek, 12,897.
Americana, Greek, 7,104.
Galini, Greek, 7,266.
Ilena, Lebanese, 5,925.
Akamas, Lebanese, 7,285.
Aiolos II, Lebanese, 7,256.
Noelle, Lebanese, 7,251.
Parmarina, Lebanese, 6,721.
St. Nicholas, Lebanese, 7,165.
Dagmar, Swedish, 6,490.

EDUCATIONAL TELEVISION—REMARKS BY DR. FRANK STANTON

Mr. MAGNUSON. Mr. President, ever since the Federal Communications Com-

mission reserved 242 television channels for educational purposes in 1952, this program has slowly but determinedly moved ahead. Last year, after 8 years of effort, my educational bill which would help put the many unused educational television channels on the air was enacted. A great deal still must be done and will be done before the benefits of this miraculous medium and the creation of the educational television network becomes a fact.

I was, therefore, pleased to read the remarks of Dr. Frank Stanton, president of the Columbia Broadcasting System, delivered to the CBS network affiliates on March 9, 1963, in which he devoted his entire talk to educational television. I must say that this is one of the most enlightened analysis made by a commercial broadcaster that I have had the opportunity to read. Its forthrightness as well as its farsightedness displays the type of leadership that Dr. Stanton has exercised in the field of broadcasting for so many years.

I congratulate him for this excellent presentation and commend it to my colleagues. I ask unanimous consent that it be printed in full at this point in my remarks.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

NINTH GENERAL CONFERENCE OF CBS TELEVISION NETWORK AFFILIATES

(By Frank Stanton, president, Columbia Broadcasting System, Inc.)

Once more I am very happy to welcome all of you. It is now 15 years since we first met together to discuss our common opportunities and our common problems. The mutual approach we have taken—the friendly atmosphere of openness and informality—has, I think, been extremely useful in establishing and maintaining the CBS Television Network's No. 1 position.

In 1955, when we began to refer to this annual session as a "general conference," I emphasized that our calling this gathering a conference was no accident. "Our purpose," I said at that time, "is not to invite you here for lectures; rather, the purpose is to provide means for the exchange of ideas with the central focus on perplexing problems that affect us all deeply and equally."

We have had, in the intervening years, many such discussions, and out of them have come reasoned, consistent, supportable views that have frequently been the basis for much of the progress not only we but the whole field of television have made.

It is in this spirit of friendly and frank mutual counsel that I come again to you this year, to discuss a subject that is, I believe, of deep concern to the future of all television and, perhaps, of our whole society—educational television.

At the outset, let me put unmistakably the propositions that I see as the points of departure—the minimum essentials—for our discussion:

First, educational television must not fail. Second, we in commercial television have a very real stake in its survival and success. Third, it must succeed in its broadest, not its narrowest, concept.

Fourth, it must be independent—independent alike of subsidy by Government or subsidy by commercial television.

Although the concept of educational television is as old as television itself, as an operating branch of broadcasting it is still in its early youth, going through agonizing growing pains more frequently than not, un-

certain of itself in most ways, and attempting to solve practical problems of a very special nature that have no counterparts either in broadcasting or in education.

In 1948, when we held our first affiliates' clinic, the predecessor of these annual conferences, there were no educational television stations on the air. And it was to be 5 years—1953—before the first started operations. Today there are 79 educational stations in operation, and over 300 channels, both VHF and UHF, are reserved for educational purposes. But even this number, according to a report of the National Association of Educational Broadcasters, is inadequate to meet the need if television is to be fully utilized to help solve the immense educational task facing this country for the predictable future. No less than 600 additional channels, the report stated, will be necessary.

We in commercial television know something of the problems these educational stations have, because some problems are implicit in the medium—however it is used or financed. To name a few—all too familiar to you: the enormous need for material, the great costs of production, the competent manpower required, the necessity to serve a community as a whole and not just one area of interest or just one level of education. In addition, educational television must find a means—better than improvisations—to pay its way in a society that can offer no foolproof method borrowed from a similar situation.

And the fundamental challenge to educational television is the same as the fundamental challenge to us in commercial television: to interest an audience and to hold it. We broadcasters ought not to take any satisfaction in educational television as a weak adjunct of commercial television, however true that may be today. We ought not to be content merely to support it with conscience money. We have a very real stake in its success—its success on a broad, varied scale. For what diminishes it diminishes us, in that it diminishes all television. And what strengthens it strengthens us, because it strengthens all television.

If this seems to you idle theory, think for a minute of what our society would be if we had the printing press but no textbooks, no learned quarterlies, no magazines appealing to the few, no specialized cultural publications—if the role of the printing press were limited only to the production of mass circulation magazines, however excellent. Would not all of us sense that something was wrong and feel an obligation to see that something was done about it? And would we not feel that those already using print with spectacular success had a particular concern that something be done? That it not be bucked over to the Government?

I am not just preaching benevolence here. To prove itself in our age—to advance its freedom as a mature medium—television is going to have to do, with distinction and effectiveness, all the jobs of which it is capable—not just those that we in commercial television have taken on. And the measure of the medium's total achievement will be the measure of our own freedom to do our part of the job.

If educational television is to realize its fullest potentialities, it is important that we encourage it to take the broadest and not the narrowest view of its mission, to make the most and not the least of its opportunities.

This means that, if we honestly believe in free competition, we should welcome educational television into the free competition for the viewer's attention. I discussed with you last year our conviction that the surest path to television's growth was not more Government supervision, not more industry policing, not more private pressure

groups, but more competition. I suggested to you, and I testified before the FCC, that the most sensible approach to more competition was a fuller utilization of the spectrum—UHF as well as VHF—using both bands for more stations and better, more varied service.

I remind you of this now, because it is to me overwhelmingly clear that educational television is one additional competitive factor that can give us the kind of prodding anyone needs in order to improve constantly. As you know, CBS has not arrived at this judgment lately. Over 2 years ago, on January 13, 1961, I disagreed with the president of the National Educational Television and Radio Center, in a panel discussion at the Department of Health, Education, and Welfare, that educational television should be only supplementary to rather than competitive with commercial television. On that occasion, I said, "I think that in the long run educational television will be a competitive service, and I think that this is desirable." In that same year, 1961, the CBS annual report included the following statement in the letter of the chairman and the president: "CBS has always had a special interest in educational television, has supported its growth, and has directly contributed to the widening of its range of activities. CBS welcomes educational television not only as supplementary to, but as competitive with, commercial television service. We believe this competition will benefit both types of service."

We did not come to that conclusion only for the good of educational television. We did not even come to it only for the good of the public that television, in order to survive, must serve. We came to it primarily for the good of all television—commercial and educational.

I am sure that you know as well as I do that the price of growth—the price, in fact, of survival—in any mass medium is change—constant, never-ceasing change. I do not know that it is always change for the better or even that it is always progressive. But change itself is the thing—never resting on your oars, never sure you have the right mix, never completely satisfied, being as willing to change when you are not entirely sure you are right as when you think it is perfectly safe. The only deadly thing for us—for any mass medium—is to stand still while the inexorable law of change is going to work all about us.

Yet we must have some sense of what we are doing, some sense of pace, some sense of direction. We are like the mass circulation magazine whose economics, audience, and fundamental editorial and advertising roles do not permit it the same freedom as the book publisher, who can survive with a much smaller audience, who has no advertising function and who needs to meet no huge economic commitments. Yet does anyone doubt that the mass printed media are much the better off because there are book publishers and publishers of little magazines, from whom flow a continuous stream of new ideas, new knowledge, new theories appealing to every size of audience, reflecting every kind of interest, representing every kind of creative approach? A great testing ground is provided by all this activity—where the unfamiliar and the unproved can be tried out in an arena in which the stakes are low enough to make such trial possible on a broad scale.

Ultimately not just the vitality of our total cultural life is quickened by this but the mass media find themselves with a twofold gain—an audience somehow aware of new things going on and an indication of what those things are and how they can be handled.

This medium of ours is not immune, and cannot be, from all the laws of survival and growth and the pressures that affect the older media. Nor are we immune from the eco-

changes in design if the risky features of its plane run into trouble, but also stem from his belief that the company had grossly underestimated some of the difficulties and cost of its development work.

DESIGN HAD SIMPLER

He said the General Dynamics design was simpler and less risky and would lead to less cost over the entire life of the airplane. Some Senators insisted that the Boeing bid was a fixed one, but Pentagon officials declared that when a contractor on a long, complex weapons order runs into financial difficulties because of an underbid, the Government must bail him out if it wants the product.

The only really firm contract negotiated last fall, they insisted, was for the development phase, with the much bigger production order left for final settlement later.

As for McNamara's claim of a billion-dollar saving, Pentagon officials say this was based on the difference of cost between building one Air Force-Navy TFX and the abandoned attempt to build two separate aircraft—not the difference between the General Dynamics and Boeing bids. His statement, however, has been interpreted as meaning the latter. Defense officials say there is no way of estimating the actual potential saving.

Is General Dynamics and its key Navy subcontractor, Grumman Aircraft, more experienced and qualified than its rival defense industry giant, Boeing, as McNamara says?

General Dynamics has built two supersonic fighters, the Air Force F-102 and F-106, Grumman is a veteran builder of Navy carrier fighter planes, and developed and tested an earlier retractable-wing airplane which, while not accepted by the Government, gave them experience in the field.

Boeing has been a successful builder of Air Force subsonic bombers, but has not developed a fighter since the 1930's. There is some difference between the two types of planes, but both companies are viewed as qualified to develop the TFX.

Did political or other influence enter into the big contract award? And, on the other side of the coin, are there other motives behind the Senate investigation than meet the eye?

To date, there has been not a scintilla of evidence that politics entered into McNamara's mind, despite the suggestion that the General Dynamics-Grumman plane would be built in Texas and New York, and the Boeing in Kansas.

The Senate investigators have noted that Deputy Defense Secretary Roswell Gilpatric's old law firm was counsel for General Dynamics in some matters before he came to the Pentagon. Gilpatric's friends scoff at the implication of any conflict of interest on his part and call this a red herring.

It has been suggested that the Senate subcommittee's fervent attacks on McNamara are aimed at discrediting his judgment and forcing him to resign. This is denied, but there is little doubt but that many on Capitol Hill and in the military and defense industry would like to see the confident, dynamic Secretary taken down a peg.

It is too early to say what action the Senate subcommittee may recommend regarding the TFX contract and highly doubtful that it could influence McNamara's action in any practical way.

Senators' suggestions that Boeing and General Dynamics both build prototypes and that a choice between them be delayed until after flight tests are discounted. It would cost hundreds of millions of dollars and delay combat-ready planes by a year.

As for McNamara's reputation, there is no evidence that the confusing evidence on the TFX as yet has had any impact on his popular image as the man who took on the

generals and admirals and firmly asserted civilian rule.

Some may conclude from the airing of the controversy that he was wrong. But this comes down to a matter of judgment, and he is the man charged with making such judgments.

WISHES OF SUCCESS FOR ASTRO-NAUT LEROY GORDON COOPER, JR.

Mr. FONG. Mr. President, the people of Hawaii join with people everywhere who are waiting with high hopes for the successful blastoff of Astronaut Leroy Gordon Cooper, Jr., tomorrow. We in the 50th State have a particular reason for fervently wishing every success to Astronaut Cooper, for he is a former student at the University of Hawaii. He knows Hawaii and Hawaii regards him as one of her own. We are proud that Hawaii will be the first American community to which Major Cooper will be taken after he has completed his 22 orbits around the earth.

It is my pleasure to announce that a special aloha welcome is being planned in Hawaii after his scheduled arrival there Friday afternoon. Both civilian and military communities are joining in the public tribute during the 7½ hours Major Cooper is expected to spend in Hawaii.

According to information I have received from Honolulu, Major Cooper's wife will be on hand to welcome the astronaut when he lands at Hickam Air Force Base by helicopter from the recovery carrier U.S.S. *Kearsarge*. Adm. Harry D. Felt, Commander in Chief of the Pacific, and civilian leaders will be there to greet him.

A motorcade will take Major Cooper through Honolulu streets, to the University of Hawaii campus, where he studied for 3 years.

The motorcade will then go to Iolani Palace, the capitol, where a program of tribute is planned and a medal will be presented him by the University of Hawaii. An official reception at Washington Place, the executive mansion, will follow.

Everything is being done to make his arrival in Hawaii a truly heartwarming occasion. It will be an aloha homecoming for a hero in the true spirit of Hawaiian hospitality.

DR. HAROLD F. DORN

Mrs. NEUBERGER. Mr. President, there have been many distinguished physicians and scientists who have pierced the veil of ignorance surrounding the mechanism and causes of cancer. But none I think was more entitled to our profound gratitude than Dr. Harold F. Dorn, Chief of the Biometrics Branch of the National Institutes of Health, whose untimely death last Thursday prompted Washington Post reporter Stephen C. Rogers to comment: "Cancer struck down one of its most diligent enemies."

Dr. Dorn's landmark survey of the health histories of 249,000 World War I veterans served to establish the over-

whelming relationship between cigarette smoking and lung cancer. This was but one achievement of a remarkably creative and productive career. His untimely loss is indeed a very tragic one both for his family, to whom I extend my deepest sympathies, and for the Nation to whom he had dedicated his services.

I ask unanimous consent that the article, entitled "Harold Dorn, NIH Specialist," by Stephen C. Rogers, which appeared in the May 10 edition of the Washington Post, be printed at the close of these remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HAROLD DORN, NIH SPECIALIST

(By Stephen C. Rogers)

Cancer struck down one of its most diligent enemies yesterday when Harold F. Dorn, 56, died of the disease at the National Institutes of Health.

As NIH's chief statistician, Mr. Dorn prepared the 1958 survey which led the Public Health Service to search for links between lung cancer and smoking.

In a study which spanned years, Mr. Dorn kept tabs on more than 200,000 veterans of World War I, seeking out their tobacco habits and the causes of their deaths.

He concluded, among other things, that the death rate for general smokers was 32 percent higher than for nonsmokers and that the lung cancer death rate for cigarette smokers was about 10 times the death rate as for nonsmokers.

In 1959, a year after Mr. Dorn's study was released, the then Surg. Gen. Leroy E. Burney declared for the first time that the weight of evidence implicates smoking as a main cause of rising lung cancer.

NOTED FOR BIOMETRICS

Mr. Dorn was internationally recognized in the field of biometrics, which applies statistical methods to biological facts. At the time of his death, he had been a demographer, statistician, and biometrician for the Public Health Service since 1936.

In 1961 the Department of Health, Education, and Welfare cited him as "the Federal Government's outstanding leader in the field of biometric theory and practice."

Since 1953 he had been general secretary of the International Union Against Cancer.

Born in Tompkins County, N.Y., Mr. Dorn received his bachelor's and master's degrees from Cornell University. In 1933 he earned a doctorate in sociology from the University of Wisconsin.

He came to Washington in 1934 to work for the Works Progress Administration and 2 years later joined the Health Service.

WAR WORK HONORS

He won the Legion of Merit for his work during World War II as chief of the medical statistics division in the War Department's Office of the Surgeon General.

He was chief of the biometrics branch of NIH's Research Services for 10 years until 1960. In that year he became chief of the biometrics branch of the National Heart Institute.

Mr. Dorn was also known for his work in epidemiology, the science which seeks statistically to isolate the causes of diseases.

Mr. Dorn lived at 15 Burning Tree Court, Bethesda.

He is survived by his wife, Cella, and two daughters, Patricia Adams, of East Lansing, Mich., and Eleanor Phillips, of Ann Arbor, Mich.

Mr. HOLLAND. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

FEED GRAIN ACT OF 1963

The Senate resumed the consideration of the bill (H.R. 4997) to extend the feed grain program.

Mr. ELLENDER. Mr. President, the pending measure extends for a period of 2 years, the same type of feed grain program that the Senate twice approved in 1961 and extended again in 1962.

The bill provides for: Price support for corn and other feed grains based on 65 to 90 percent of parity for corn, with authority to make part of the support available through payments in kind; and diversion of feed-grain acreage to conserving uses in return for payment in kind.

As in the case of the 1963 program law, price support would be conditioned on participation in the acreage diversion program to the extent prescribed by the Secretary; the maximum diversion which could be permitted for any farm would be 50 percent of its base acreage, or 25 acres, whichever is greater; the maximum payment rate per acre diverted would be 50 percent of the support price multiplied by the average yield; and an exemption from diversion requirements for price support could be made for malting barley. The Secretary has advised the committee by correspondence that the program would be administered in about the same manner as the 1963 program. His letters in this regard are set out in the report.

At this point I ask unanimous consent that these letters may be made a part of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, May 8, 1963.

Hon. ALLEN J. ELLENDER,
Chairman, Agriculture and Forestry Committee, U.S. Senate.

DEAR MR. CHAIRMAN: During my appearance before your committee last Friday, and I understand in subsequent hearings this week, questions have been raised concerning the administration of the 1964 and 1965 programs under the authority contained in H.R. 4997. As I stated before your committee, we face a different situation in 1964 and 1965 from that which we faced in the past 3 years when the maximum amount of participation and stock reduction was needed. In future years our problem will be to maintain a security reserve or carryover of feed grains in the range of 45 to 50 million tons. This will require careful study and judgment on the mix of various program provisions so as to obtain the desired degree of participation without allocation or rationing. Obviously, in view of uncertainties of weather and the possibilities of changes in production, utilization, and exports, the judgment and decisions on detailed program provisions must be made on the basis of the best available information at the time

the decisions are made. It is for these reasons that I would sincerely hope the committee would not limit the authority of the Secretary of Agriculture in carrying out his responsibility under this proposed legislation.

However, in view of the questions which have been raised concerning this matter, perhaps it would be helpful to members of the committee and of the Senate to reiterate what has previously been stated by Department officials. We have indicated that based on present information and estimates (1) the price-support level for feed grains in 1964 will not be materially different from the levels in effect for the 1963 crops; (2) the portion of the price support to be made in payment-in-kind under the 1964 program is expected to be somewhat less than the 18 cents required under the 1963 program; (3) the required minimum diversion for eligibility of price support under the 1964 program would in no case be greater than that required in the 1961, 1962, and 1963 programs (20 percent of the 1959-60 base acreage), and could possibly be slightly lower; and (4) final decisions will be made on the basis of the best estimates available at the time the final announcements are to be made, and in making such decisions, thorough consideration will be given to the effects on producers' income in the very important feed grain-livestock sector of our agricultural economy, and also to the cost aspects on an overall, as well as a per-unit basis.

Furthermore, we would seek the recommendations, advice, and counsel of organizations and individuals who are involved in the production of both feed grains and livestock before making such decisions.

I trust the above will be helpful to your committee in its deliberations. May I again urge the prompt passage of this bill in the form approved by the House of Representatives. I assure you that my administration of this bill will be in accord with the highest level of public responsibility.

Sincerely,

ORVILLE L. FREEMAN,
Secretary.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., May 9, 1963.

Hon. ALLEN J. ELLENDER,
Chairman, Agriculture and Forestry Committee, U.S. Senate.

DEAR MR. CHAIRMAN: In my letter of yesterday, May 8, I indicated to your committee the administrative actions which, based on present information and estimates, would be taken under the feed-grain program authorized by H.R. 4997. While these comments were made with respect to the 1964 program, they will also apply, in general, to the 1965 program. However, as I indicated in my letter yesterday, it is very difficult to make precise estimates so far in advance in view of the uncertainties of weather and the possibilities of changes in production, utilization, and exports. Obviously, it is even more difficult to make such estimates for the 1965 program than it is for the 1964 program. Especially is this true in determining the price-support level and the minimum percentage of diversion which will be required for eligibility for price support.

With regard to the portion of price support to be made available in the form of payment-in-kind, however, we can foresee no conditions which would require this payment under either the 1964 program or the 1965 program to be in excess of the 18 cents provided by law for corn under the 1963 program.

I trust this will supplement and clarify my previous assurances concerning the administration of the feed grain program.

Sincerely,

ORVILLE L. FREEMAN,
Secretary.

Mr. ELLENDER. Mr. President, the new feed grain program has been very effective in curtailing production, in reducing the supply of feed grains and, more importantly, in lessening the cost to the Government. In addition, this voluntary feed grain program has also contributed substantially to the improvement in farm income in 1961 and 1962.

Senators will recall that the feed grain program in effect prior to 1961 guaranteed Government price supports at 65 percent of parity or 90 percent of the 3-year average, whichever was higher, with absolutely no limit on production. Under programs in effect prior to 1961 the production, utilization, and carryover stocks of all feed grains had been increasing for a number of years, and the accumulation of stocks by the Government, which had been produced in excess of our needs in previous years, was not only becoming unmanageable, but was also extremely costly.

I want to review in detail some of the facts regarding production, utilization, and the accumulation of stocks, in order to show that the program adopted in 1961 has been effective. Later in my statement I will show that the arguments and charges against this voluntary feed grain program are completely unfounded.

In my opinion, a study of these facts would convince any reasonable person that a continuation of the program is in the best interest of agriculture and of the country as a whole.

Production of feed grains in 1954 amounted to 114.1 million tons, and by 1960 had increased to 155.6 million tons. During the same period utilization of feed grains had increased from 107.6 million tons to 145.9 million tons. Notwithstanding the very substantial increase in utilization as indicated, Government stocks of surplus feeds increased from 22.6 million tons to 74.6 million tons, and the Commodity Credit Corporation investment in feed grains increased from \$1.3 billion in 1954 to \$3.3 billion by 1961.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. Mr. President, the Senator has pointed out—and I assume he is reading from the table on page 9—that the production of feed grains increased from 114.1 million tons to 140.6 million tons.

Mr. ELLENDER. To 155.6 million tons.

Mr. AIKEN. To 155.6?

Mr. ELLENDER. In 1960.

Mr. AIKEN. In 1960?

Mr. ELLENDER. That is correct.

Mr. AIKEN. That is 41 million tons. Of course, the Senator is using more favorable figures than the table shows as a whole, using the years 1953 to 1961. Since 1954 we find an increase in production of 26.5 million tons, but the disappearance increased from 107.6 to 154 million tons.

Mr. ELLENDER. From 107.6 million tons in 1954, disappearance increased to 145.9 million tons in 1960.

Mr. AIKEN. If the Senator wishes to use the years 1954 to 1960, which suit his

arguments better, I agree that there is an increase of 41 million tons in production and 38.3 million tons in disappearance. Of course, if we go back to the previous year, the situation is much more favorable to the other side of the argument.

Mr. ELLENDER. The Senator will have an opportunity to give his side of the argument.

Mr. AIKEN. Yes. Let us put it this way. If the increase in production is virtually equal to the increase in disappearance, where did the increase in the carryover come from?

Mr. ELLENDER. There was a greater increase in production than in disappearance.

Mr. AIKEN. Depending on what years are used.

Mr. ELLENDER. I have been listening to the arguments of the opponents of the feed grain bill. That argument is that 85 percent of the grain is consumed on the farm and that only 15 percent is not consumed on the farm. If that is true, why should there be, over a period of 7 or 8 years, such a large carryover, exceeding that in previous years? For instance, the total carryover of feed grains in 1954 was 31.7 million tons. By 1961, before the 1961 program went into effect, that carryover had increased to 84.7 million tons. I would like to know why that is. The answer is so evident that I would expect my good friend from Vermont to state that it was due to greater production. If there had been an increase in utilization, to keep up with production, it would go without saying that one would have canceled out the other. That did not happen. That is not the fact. That is where Mr. Charles Shuman, the president of the American Farm Bureau Federation went off the track, as I will indicate as I go along. I invite Senators to read the statements of Mr. Shuman as he presented them to the Committee on Agriculture and Forestry.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. I would rather refer to the table on page 9 of the hearings, which shows that over a 10-year period production increased from 108.3 million to 140.6 million tons, and disappearance increased from 105.8 million to 154 million tons. In other words, the disappearance increased 48.2 million tons a year, and production increased 32.3 million tons a year. I was wondering how the big increase in carryover came about. I agree with the Senator that one can take pencil and paper and prove anything he wishes.

Mr. ELLENDER. That is what Mr. Shuman did. The Senator from Vermont was present last Tuesday and heard Mr. Shuman testify that an 11.9-million-ton reduction in production only affected the size of the carryover by about 1.7 million tons.

Mr. AIKEN. I do not swear by Mr. Shuman's figures.

Mr. ELLENDER. I am glad the Senator does not.

Mr. AIKEN. I am referring to the figures of the Department of Agriculture, which appear on page 9 of the hearings.

Mr. ELLENDER. Mr. President, there is no doubt that the upward trend in production and Government stocks and costs would have continued had not remedial legislation been enacted.

However, the Congress did take action and as a result, the production of all feed grains in 1961 was reduced 15 million tons below the previous year and production in 1962 was reduced 12½ million tons below 1960. Similarly, there was a reduction both in the total carryover of feed grains and the Government stocks of these commodities.

In the first year of the program, Government stocks were reduced by 12.2 million tons. It is expected that Gov-

ernment stocks will be further decreased because of the 1962 program by about 11.4 million tons, for a total reduction in the 2-year operation of the new voluntary feed grain program of about 23.6 million tons. In addition, it is expected that this year's program will result in another substantial reduction in stocks.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing the production, utilization, and carryover of feed grains.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Feed grains

[All figures in millions]

| Year | Production | Utilization | Total | Carryover | | |
|-------------------------|------------|-------------|-------|-----------|------------|---------|
| | | | | Other | Government | |
| | | | | | Quantity | Value |
| | Tons | Tons | Tons | Tons | Tons | Dollars |
| 1954..... | 114.1 | 107.6 | 31.7 | 9.1 | 22.6 | 1,268.0 |
| 1955..... | 120.8 | 117.4 | 39.1 | 9.4 | 29.7 | 1,643.4 |
| 1956..... | 119.3 | 114.6 | 43.2 | 8.5 | 34.7 | 2,004.8 |
| 1957..... | 132.4 | 123.2 | 48.8 | 8.0 | 40.8 | 2,180.0 |
| 1958..... | 144.1 | 135.9 | 59.0 | 9.3 | 49.7 | 2,574.0 |
| 1959..... | 149.6 | 143.1 | 67.5 | 9.5 | 58.0 | 2,847.1 |
| 1960..... | 155.6 | 145.9 | 74.6 | 8.9 | 65.7 | 3,085.5 |
| 1961..... | 140.6 | 154.0 | 84.7 | 10.1 | 74.6 | 3,270.7 |
| 1962..... | 143.1 | 154.2 | 71.8 | 9.4 | 62.4 | 2,558.1 |
| 1963 ¹ | | | 61.0 | 10.0 | 51.0 | 2,189.1 |

¹ Estimate.

Mr. ELLENDER. Mr. President, in the 2 years that the new feed grain program has been in effect the Commodity Credit Corporation investment in feed grains will have been reduced by about \$1 billion below the \$3.3 billion that the Government had invested as of June 30, 1961, before the new program became fully effective.

The Department of Agriculture estimates that after deducting the cost of the new program the ultimate net savings to taxpayers resulting from the acreage diversion program in 1961 and 1962 will amount to about \$1.2 billion.

The argument is made that the decrease in stocks that have occurred is principally the result of increases in the utilization of feed grains. This argument is advanced because utilization of corn and other feed grains increased in 1961 and 1962. But, Mr. President, the fact is that the utilization of feed grains has been increasing steadily in past years and, in spite of this, until the 1961 program went into effect, Government stocks also increased. I will show that this is the case.

The production of corn for grain increased from 2.7 billion bushels in 1954 to 3.9 billion bushels in 1960. This amounts to an increase of 44 percent.

I would like to emphasize at this point that there was a very significant upward trend in production that would have continued into the future. The upward production trend is not the result of increased acreage devoted to the production of corn, for acreage increased only by 2.9 million acres. Rather, the principal reason lies in the fact that yields increased from 39.4 bushels per acre to

54.5 bushels. This is an increase of 38 percent. Studies made by responsible authorities both in the Department of Agriculture and at land-grant universities indicate that yields will continue to increase.

While the production of corn was increasing, the utilization of corn was also increasing. In 1954 domestic utilization amounted to 2.5 billion bushels. By 1960 domestic utilization amounted to 3.4 billion bushels, an increase of only 36 percent, as compared with an increase of 44 percent in the production of corn.

Exports of corn also were increasing. In 1954, 92 million bushels were exported and in 1960, 276 million bushels.

Senators will note that while the utilization of corn increased very substantially the fact is that the production of corn increased even faster, thereby adding to surplus stocks. The carryover stocks at the end of each marketing year from 1954 through 1960 also showed a very substantial increase. As a matter of fact, carryover stocks in 1954 amounted to only about 1 billion bushels. By 1960 the carryover stocks had increased by about a billion bushels and amounted to 2 billion, 8 million bushels.

I might add that during the period from 1954 to 1960, when the production of corn was increasing, when the domestic disappearance of corn was increasing, when the exports of corn were increasing, and when the carryover stocks were increasing, the only thing to show a decrease was the price of corn. Price supports in 1954 were set at \$1.62 per bushel but in 1960 price supports had been lowered to \$1.06 per bushel.

In 1961 the first feed grain program went into effect. As a result, the production of corn in 1961 decreased from 3.9 billion bushels to 3.6 billion bushels, a reduction of about 300 million bushels. In the second year of the program corn production was 264 million bushels less than it was in 1960.

Carryover stocks of corn are declining substantially under the program. Stocks decreased from 2 billion bushels in 1960 to 1.6 billion bushels in 1961 and at the end of this marketing year will amount to only 1.3 billion bushels for a total decrease of about 700 million bushels during the 2-year period in which the feed grain program was in effect.

On the other hand, if the program had not gone into effect, the production of corn in 1962, instead of being 264 million bushels less than in 1960, would have been 522 million bushels more; and the production and carryover would consequently have been 786 million bushels greater than it was. These projections were determined by the technicians in the Department of Agriculture utilizing trend data developed for technical publications.

Furthermore, instead of carryover stocks of corn being reduced in 1961 and 1962 by 700 million bushels to the 1.3 billion bushels estimated for the end of the marketing year for the 1962 crop, the Department technicians have estimated that the stocks would have increased by 542 million bushels in those 2 years to all-time high of 2.5 billion bushels, or 1.2 billion bushels greater than under the program.

The PRESIDING OFFICER (Mr. NELSON in the chair). The morning hour having ended, the Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 537) to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the Senate continue with the consideration of House bill 4997, to extend the feed grain program.

The PRESIDING OFFICER. Without objection—

Mr. AIKEN. Mr. President, do I correctly understand that the feed grain bill has been the pending business?

Mr. ELLENDER. Yes.

Mr. AIKEN. Very well.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana? Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, I assure Senators that while the program costs were high in 1960, the costs would have been fantastic in 1962, had we not changed the program in 1961.

I ask unanimous consent to have printed in the RECORD a table showing the production, utilization, and carryover stocks of corn.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

CORN

Production, utilization, and carryover stocks of corn, 1954-60 with 1961-63 estimates without feed grain program

[All figures represent millions except support price]

| Crop | Production for grain | Utilization | | Carryover stocks at end of crop marketing year | Support price |
|------------------------|----------------------|----------------|----------------|--|-------------------|
| | | Domestic | Exports | | |
| | <i>Bushels</i> | <i>Bushels</i> | <i>Bushels</i> | <i>Bushels</i> | <i>Per bushel</i> |
| 1954..... | 2,708 | 2,502 | 92 | 1,035 | \$1.62 |
| 1955..... | 2,873 | 2,636 | 108 | 1,165 | 1.58 |
| 1956..... | 3,075 | 2,657 | 165 | 1,419 | 1.50 |
| 1957..... | 3,045 | 2,814 | 183 | 1,469 | 1.40 |
| 1958..... | 3,356 | 3,088 | 214 | 1,524 | 1.36 |
| 1959..... | 3,825 | 3,351 | 212 | 1,787 | 1.12 |
| 1960..... | 3,908 | 3,412 | 276 | 2,008 | 1.06 |
| 1961—With program..... | 3,626 | 3,580 | 415 | 1,640 | 1.20 |
| Without program..... | 4,275 | 3,641 | 433 | 2,210 | 1.05 |
| 1962—With program..... | 3,644 | 3,610 | 375 | 1,300 | 1.20 |
| Without program..... | 4,430 | 3,716 | 375 | 2,550 | 1.05 |
| 1963—With program..... | 3,800 | 3,651 | 355 | 1,095 | 1.25 |
| Without program..... | 4,430 | 3,801 | 355 | 2,825 | 1.05 |

NOTE.—Carryover stocks without program assume continuation of 1960-type program in 1961, 1962, and 1963.

Mr. ELLENDER. Mr. President, the same story can be told about grain sorghums. Production increased from 236 million bushels in 1954 to 620 million bushels in 1960, an increase of 162 percent. Stocks of this commodity increased at an even greater rate. From 75 million bushels in 1954, stocks had increased to 702 million bushels in 1960.

Had the program not been in effect in 1961 and 1962, the production of grain sorghum would have increased to 670

million bushels, and stocks to 875 million bushels. Most of this tremendous increase in stocks would have been taken over by the Government, thereby adding to the cost of the program.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing the production, utilization, and carryover stocks of grain sorghums.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

GRAIN SORGHUMS

Production, utilization, and carryover stocks of grain sorghums, 1954-60, with 1961-63 estimates without feed grain program

[All figures represent millions except support price]

| Crop | Production for grain | Utilization | | Carryover stocks at end of marketing year for crops | Support price |
|---------------------------------------|----------------------|----------------|----------------|---|-------------------|
| | | Domestic | Exports | | |
| | <i>Bushels</i> | <i>Bushels</i> | <i>Bushels</i> | <i>Bushels</i> | <i>Per bushel</i> |
| 1954..... | 236 | 135 | 48 | 75 | \$1.28 |
| 1955..... | 243 | 170 | 66 | 81 | 1.00 |
| 1956..... | 205 | 185 | 22 | 79 | 1.10 |
| 1957..... | 568 | 281 | 57 | 309 | 1.04 |
| 1958..... | 581 | 280 | 100 | 510 | 1.02 |
| 1959..... | 555 | 384 | 100 | 581 | .85 |
| 1960..... | 620 | 428 | 71 | 702 | .85 |
| 1961—Actual..... | 480 | 422 | 99 | 661 | 1.08 |
| Estimated with 1960-type program..... | 665 | 473 | 99 | 795 | .85 |
| 1962—Actual..... | 509 | 445 | 100 | 625 | 1.08 |
| Estimated with 1960-type program..... | 670 | 490 | 100 | 875 | .85 |
| 1963—Estimate..... | 565 | 515 | 100 | 575 | 1.12 |
| Estimated with 1960-type program..... | 700 | 500 | 100 | 975 | .85 |

NOTE.—Carryover stocks without program assume continuation of 1960-type program in 1961, 1962, and 1963.

Mr. ELLENDER. Mr. President, without a doubt the feed-grain program which was enacted in 1961 has caused both production and stocks, to say nothing of cost, to decrease. The gains to agriculture, as well as to the taxpayers, have been substantial. It would therefore be harmful if we were to allow this program to expire. We must consolidate and maintain the gains and savings to the Government which have accrued under the program in effect the past 3 years.

I may say at this point that, in my opinion, a mandatory feed-grain program would have been much preferable to a voluntary feed-grain program. It

would, in my opinion, have been less costly and more effective. However, Congress refused to enact such a program, although I must admit that early in 1962 the Senate did pass a mandatory feed-grain program.

Be that as it may, the fact remains that the voluntary program is much better than the program in effect prior to 1961. As I have previously indicated to Senators, a program of unlimited production with guaranteed high price supports will result only in increased Government costs.

Mr. President in order that we may have the issues squarely before us, let us take a look at the opposition to extension of this program.

The committee held hearings to determine what the objections might be; and I should like to examine those objections in the order in which they were presented by the American Farm Bureau Federation, represented by its president, Mr. Charles B. Shuman. I would regard this organization as the principal opponent of the bill.

The first objection was one of timing—namely, that the bill should not be considered before May 21, because it might be interpreted as an effort to influence the vote in the wheat referendum. Mr. President, the only reason why this bill can be so interpreted is that it establishes some of the ground rules upon which the referendum is based. Clearly, the time to establish those rules is before the referendum, so that the farmer may know what he is voting on. We should not wait until after the referendum, and then change the rules.

Last year, when Congress enacted the wheat law, it provided in section 328 of the Food and Agriculture Act of 1962, that "Effective with the 1964 crop, during any year in which an acreage diversion program is in effect for feed grains," the Secretary may permit feed-grain and wheat acreage to be interchanged. That is an essential part of the wheat program. It is not new. It was passed last year. The farmers know about it. But until Congress acts, they can only guess as to whether there will be a feed-grain program which will make this provision operative. They have a right to know before they vote. The type of "influencing" which I would condemn would be that of keeping the farmers in the dark on this point until after they have voted.

Other reasons advanced for delaying the action on the bill until after May 21 were that we could not act objectively in the heat of a referendum, that result of the referendum might require reanalysis, that there would still be time after May 21, and that we should know more about the actual results of the 1963 program. Of course, all these are just reasons for delaying action so that the producers will be forced to go to the polls without being fully informed on the issues. We can act objectively, and we can do so today on the basis of the present situation. Both wheat producers and feed-grain producers should know what the program will be, as soon as that is possible. We have had 2 years of experience with this program, and we shall not gain much more knowledge about the results of the 1963 program by waiting until May 21.

The farmers will vote on May 21. Whether there is a feed grain diversion program is one of the facts they should know. In all fairness, Congress should act before May 21 on this bill.

The first substantive objection to the bill, as raised by the American Farm Bureau Federation, was that the cost of the program could not be justified since—and now I quote from the testimony given by Mr. Shuman—

Over 90 percent of the reduction in feed grain carryover was due to factors other than reduced production of the grains covered by the program.

Let us look at the facts. From 1954 to 1960, feed grain production increased from 114.1 million tons, as I previously stated, to 155.6 million tons. At the same time, utilization increased from 107.6 million tons to 145.9 million tons. Because production increased faster than utilization, the carryover increased from 31.7 million tons in 1954 to 84.7 million tons at the end of the 1960 crop marketing year. In 1961, the first year of the feed grain program, production decreased by 15.0 million tons. Not only did the program keep production from increasing at the rate at which it had been increasing in the past, but production was actually reduced below 1960 production by 15.0 million tons. If Senators will look at table 1 on page 6 of the report, in the column headed "Production," the picture should appear very clearly. Utilization in 1961 increased at about the same rate at which it had been increasing. As a result of this cut in production and the usual increase in utilization, the carryover, instead of increasing, as it had been doing every year since 1951, was reduced by 13 million tons. Now with this very clear picture of the effectiveness of the feed grain program in reversing the buildup of stocks, how can anyone contend that over 90 percent of the reduction in feed grain carryover was due to factors other than reduced production of the grains covered by the program.

The witness who made that statement is Mr. Shuman. He reached his conclusion in this way, and I will use his own figures to show his fallacy. He started with the reduction in carryover during 1961 of 12.9 million tons of all feed grains. Of this, he says 8.1 million tons is due to increased utilization and 3.1 million tons is due to reductions in barley and oats, leaving only 1.7 million tons of the reduction in carryover which can be attributed to the program. And this in spite of the fact that he recognizes that corn and sorghum production was reduced by 11.9 million tons. What he fails to take into account is that the 1960 production exceeded 1960 utilization by 9.7 million tons, and this gap had to be closed before we could start reducing the carryover.

The truth is that if we did not have the 11.9 million ton reduction in corn and sorghums, the 3.1 million ton reduction in barley and oats, and the 8.1 million ton increase in utilization, the carryover would have been exactly 23.1 million tons higher than it was.

We would have had a tremendous increase in the carryover, instead of a decrease, just as we did every year before the program went into effect. The only trend that changed in 1961 was corn and sorghum production. Utilization continued going up, oat production continued going down, and barley production continued about even. If we had not reduced corn and sorghum production by 11.9 million tons, the carryover would have been 11.9 million tons greater than it was. If we had not had a 1961 program, corn and sorghum production would have continued to increase as they had in the past and the carry-

over would have continued to increase as in the past.

The witness' methods of computation is similar to the way we used to prove we had eleven fingers, by counting backwards. On one hand we have 10, 9, 8, 7, 6, and on the other hand we have 5, which makes 11.

It would be as sensible to argue in that manner as Mr. Shuman argues the question as I have indicated.

In the same manner the witness analyzes the 1962 feed grain program, and comes to the conclusion that a reduction of 10.5 million tons in the production of corn, sorghum, and barley affected the size of the carryover by only half a million tons. Imagine that. The witness contends that we reduced production by 10.5 million tons and the carryover is smaller by half a million tons because of that.

For the 2 years, the witness says we reduced production of crops covered by the program by 22.4 million tons, and that resulted in a reduction in the carryover of only 2.2 million tons. Senators will find that table in the printed hearings. An earlier witness opposing the bill, Representative FINDLEY, of Illinois, had given the Committee a most surprising figure as to the cost per bushel of the program, \$30.

Perhaps I could increase that amount to \$40 if I were to add into the cost the amount paid to all Government employees, the salaries of the Secretary of Agriculture and the members of his force, Senators, the President, and everyone else. We might have made it \$40 a bushel. How ridiculous can people get?

The method of computation used by Mr. Shuman explains how that figure was reached. In fact, I believe the merits of the bill are so obvious, that even the distortion of the facts engaged in by the opponents cannot detract from it.

So that is the first substantive objection to the bill in the principal opponent's opinion. I think that pretty well sums up the opposition to the bill. They do not want it now, because they do not think the farmers should know the details of the wheat program until after they have voted.

They do not want the measure now because the Farm Bureau has always been opposed to it. The Farm Bureau has not only been against the feed grain program but it has been opposed to the wheat program. In the States in which wheat is produced, it is now trying to get a "no" vote in the referendum that will take place on May 21.

The American Farm Bureau on that issue never seems to see the light, nor does it in any manner slacken its opposition. It did all it could to prevent the Congress from enacting the wheat program. It is now in the States trying to defeat the referendum on May 21. With an actual reduction—without any allowance being made for normal increases in yields—of 22.4 million tons—I repeat—with an actual reduction of 22.4 million tons in corn and sorghum production in 1961 and 1962, they contend that only 2.2 million tons of the reduction in carryover can be attributed to the feed grain program.

Oh, of course, they do have other arguments. They have discovered what they describe as a little known fact: Feed grain production actually went up—not down—in 1962 as compared to 1961. Imagine that. Of course 1961 and 1962 were both program years, and no effort was made to reduce 1962 production below 1961. But when we compare a program year, such as 1962 with a non-program year such as 1960, we certainly see how effective the program is. Using the witnesses' figures, as set out in his table, the 1962 production of corn and sorghum was 10.5 million tons below 1960 production.

Do not forget that those 2 years were years in which there was a program. But when we compare it to 1960, the year before the program started, we find the differences that I have heretofore outlined.

The next argument in opposition to the bill is that the 1963 program will be less effective and more costly than the 1962 program. That is their opinion, and certainly the program will always be more effective or more costly in one year than another, so long as years are not identical. Congress developed the 1963 program as an improvement over the 1962 program, and I think Congress succeeded. But the fact that one program year may be better than another is no argument for having no program at all.

The next objection is that the Secretary would be given what they call "wide open discretionary authority to make compensatory payments;" and they contend this would force consumers to pay part of their food costs through taxes. Of course, it would not do this any more than the programs we had before 1961. The purpose of the bill is to reduce the cost of the program, so that consumers will pay less of their food costs through taxes. The purpose of providing for paying a portion of the support price through payments in kind is the same as in the current program, and it is clearly set out in the bill on page 3, beginning on line 7. The Secretary is given authority to use payments in kind to make available such portion of the support price as he determines desirable "to assure that the benefits of the price support and diversion programs inure primarily to those producers who cooperate in reducing their acreage of feed grains." That is all there is to it.

The committee went into this matter thoroughly with the Secretary, and his letters to the committee on the subject are set out at page 2 of the committee report. The bill provides only for a 2-year program, and the committee could foresee no possibility that the price support payment rate would exceed that for the 1963 program, which is 18 cents a bushel in the case of corn. The Secretary's letters provide assurance that the rate will not exceed 18 cents, and the testimony indicates that it will probably be less. It was stated by the Department that it might be between 10 and 15 cents per bushel.

But I have not covered all of the objections to the bill yet. The rest of them are the usual feeble type of objections that are always made by anyone who is

opposed to anything. To wit: The Secretary's authority is too broad. They say it is too broad because it authorizes him to determine whether a feed-grain diversion program is in effect. This is very broad authority all right, about as broad as he has been exercising on marketing quotas since 1938, and on conservation programs before that, and on other programs even before that.

The authority of the Secretary is also said to be too broad because he is authorized to support prices between 65 and 90 percent of parity. For years he determined the support for oats, rye, barley, and sorghums between 0 and 90 percent of parity, and he still has that authority under the present law for most commodities. The Secretary says the support level will be about the same under the bill as it is this year.

The bill is said to provide too broad authority because the Secretary could determine the percentage of the base acreage—up to a maximum of 50 percent—a producer must divert to participate. Well, that is exactly like it is under the 1963 program. The Secretary had a little more authority under the 1963 program, though. He could make diversion payments in cash on up to 20 percent of the base acreage. He did not do that in 1963 and he will not have the authority in 1964 and 1965, because we have taken it away from him. It does not make much difference. The Secretary has promised to administer this provision about as he is doing this year.

And finally, the opponents object to the authority provided by the bill for the Secretary to set the diversion payment rate. It is the same authority as Congress approved in the case of the 1963 program and a little more limited than Congress provided for the 1961 and 1962 programs.

Now let us look at a few of the other objections raised by opponents of the bill at the hearings.

The Secretary of Agriculture testified that the feed grain program resulted in a greater stability of feed grain prices than would have occurred in the absence of a program.

However, some witnesses testified against the feed grain program because they felt that it had resulted in lower feed grain prices. That was the testimony of Mr. Shuman. Furthermore, they attributed the recent break in cattle prices to this fact.

On the other hand, other witnesses who testified against the extension of the feed grain program complained that the result had been to increase feed grain prices.

This puzzles me, because I cannot understand how feed grain prices can be both lowered and increased under the same programs.

Under normal conditions I understand, as well as the next, that feed grain prices in some areas will differ from feed grain prices in other areas. For example, there is little doubt that the price of corn in both North Carolina and Florida is normally higher than the price of corn in Iowa. The reason for this is, of course, that North Carolina and Florida are both deficit-producing States. Both must im-

port corn. But, if the price of corn goes down in Iowa then the price of corn must also decrease in North Carolina and Florida in about the same proportion.

It is difficult for me to understand why two people from the same organization will oppose the bill for entirely opposite reasons.

In addition, I think it is important to understand that the feed grain program that has been in effect for the past 3 years, and that is extended by this bill for another 2 years, is a voluntary program. There is no compulsion about it. Producers are not compelled in any way to participate. Farmers, of their own choice, can choose whether or not they want to participate in the program. If they participate, they receive price supports and diversion payments. If they do not wish to participate, they can plant as much as they wish without any penalty. However, these producers are not entitled to price supports, nor can they receive diversion payments.

Last year when the Senate Committee on Agriculture and Forestry held hearings a number of witnesses testified against a mandatory feed grain program. This year these same witnesses are testifying against a voluntary feed grain program. Apparently they want the feed grain producers to have no program at all, or perhaps the old program.

There were some witnesses who testified that cheap feed makes cheap livestock. As a matter of fact, many of them blame the recent livestock drop on cheap feed caused by the feed grain program. If we do not pass this bill, feed grain producers will return to a program of unlimited production with price supports at such level between 50 and 90 percent of parity as will not result in increasing Commodity Credit Corporation stocks. Best indications are that this price would be approximately 80 cents per bushel. If the prices which prevailed under the feed grain program in 1961 and 1962 caused cheap feed and lower livestock prices, certainly unlimited production with prices at 80 cents per bushel would do even greater harm. Therefore, I cannot understand the logic of their arguments.

I feel that the objections made to the bill at the hearings were without foundation. There is little doubt that this program will benefit not only the feed grain producers, but also the livestock producers as well, in that an adequate supply of feed grains will be available at fair prices to livestock producers.

Mr. President, that about wraps up the arguments regarding the feed grain program.

Of course, I know that the opposition will make impassioned speeches about "freedom to farms," and "discretionary authority" and a whole host of other strawmen.

But the plain, unvarnished truth is that the new feed grain program has been successful in achieving all of the objectives for which it has been designed.

It has reduced Government stocks and costs. It has saved the taxpayers of the country millions of dollars. It has improved farm income. There is no doubt about it.

So, Senators, remember this during the speeches of the opposition, for, by and large, most opposition is not directed against the bill itself, but is designed only to delay passage until after the wheat referendum.

Several Senators addressed the Chair. The PRESIDING OFFICER. Does the Senator yield; and, if so, to whom?

Mr. ELLENDER. I yield first to the Senator from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. President, I compliment the distinguished chairman of the Committee on Agriculture and Forestry for this fine presentation on this agricultural problem. I compliment him for the leadership he has shown in the committee and his architectural ability and draftsmanship in preparing bills for Senate consideration. I wish to ask the Senator a few questions, however.

I understand the principal change between this program and the 1961, 1962, and 1963 programs is the flexibility that is permitted to allow wheat producers to interchange wheat acres for feed grain acres, and vice versa. Is that true?

Mr. ELLENDER. That is one change. This bill makes operative the wheat provision passed last year, which permits such substitution. It was not applicable to the 1961, 1962, or 1963 program.

Mr. BURDICK. If, for example, a farmer had 50 acres as the feed grain base, and 50 acres as a wheat base, that farmer would have the privilege of planting all those acres to feed grains or all to wheat. Is that correct?

Mr. ELLENDER. Yes; subject to such conditions as the Secretary might prescribe, farmers could plant feed grains on wheat acreage and vice versa. Of course the farmer planting wheat on feed grain acreage would get only the feed wheat price for it. He would not get certificate for that wheat.

Mr. BURDICK. I understand. In other words, if the wheat could be grown on the feed grain acreage, it would be subject to the price of \$1.30, and not the certificate price.

Mr. ELLENDER. That is correct.

Mr. BURDICK. What other essential differences are there between the 1963 and 1964 programs?

Mr. ELLENDER. I cannot see any, except that the Secretary of Agriculture is given more discretionary power. The reason for that is that when a crash program was in effect in 1961, he had to use every measure at his disposal in order to invite farmers to enter into the program. He had to make the program attractive; so much so that in the first year cash payments were provided if farmers diverted 20 percent, or payments in kind, and for the rest of the program there were provided payments in kind; that is, on an additional 20 percent.

An entirely different situation exists today, in that, as I pointed out previously, the reduction in the carryover has been considerable. Instead of having the 84.7 million tons of carryover that existed in 1961, at the end of this year there will be a carryover of 61 million tons. Therefore, not as many acres will be needed for diversion in order to

attain the goal the Secretary seeks. What that goal is, I do not know. It may be 45 million tons. It may be 55 million tons. It depends on many factors that are not at hand now.

It may be that there will be a greater consumption of feed grains. Perhaps there will be more exports of corn.

Therefore, the Secretary cannot make his determination now. We are giving him leeway so he can make a determination as to the exact amount of production he hopes to curtail at the time he makes that determination. In order to carry out that objective, we do not want to put the Secretary in a straitjacket, prescribing how much he shall be put out for cash, how much for this, and how much for that. We say to the Secretary, "You can enter into agreements with farmers and have a program whereby they may take out 50 percent of their base acreage." Instead of having to pay the farmer half of the support price on his production, the figure may be made 25 or 40 percent.

I am sure many farmers would gladly be in favor of a program in which they would be paid in kind at 30, 35, or 40 percent of the support price. The Secretary would be given that authority so as to get into the program the amount of acres he felt would be necessary in order to attain his goal of the cut in production.

Mr. BURDICK. Based on the facts, the Senator has developed, the goal is reduction in production and at the same time the maintenance of income for the farmers. Is that correct?

Mr. ELLENDER. That is correct. That was one of the reasons that prompted the establishment of these programs.

Mr. BURDICK. The Senator has made a very powerful case for the legislation. I will support him.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield now to the Senator from Wisconsin.

Mr. PROXMIRE. I join in what our distinguished colleague from North Dakota has said to the chairman. I think his speech is a devastating response to the critics of the program. As the Senator knows, I was one of those who criticized the feed grain program last year. I did so, first, because the administration proposed a mandatory program; second, the voluntary alternative proposed last year seemed a preliminary to a compulsory program. I want to emphasize the point the Senator from Louisiana has made so well; namely, that it is a completely voluntary program.

Mr. ELLENDER. That is correct.

Mr. PROXMIRE. It is not a mandatory program.

Mr. ELLENDER. It is not.

Mr. PROXMIRE. And it is a 2-year program.

Mr. ELLENDER. That is correct.

Mr. PROXMIRE. The Senator has made clear on the basis of the record, that this program has meant a reduction of 15 million tons in production in 1961 as compared with what it was in 1960. Is that correct?

Mr. ELLENDER. That is correct.

Mr. PROXMIRE. It is true that that was the first time since 1951 that there had been a substantial reduction in production?

Mr. ELLENDER. That is correct. The carryover rose every year from 1951 until the 1961 program became effective.

Mr. PROXMIRE. In other words, there had not been a reduction before. Those who say the reduction was not the result of the program could hardly base that statement on experience. Is that correct?

Mr. ELLENDER. The facts bear out that statement, because the facts indicate that there was no reduction until the 1961 program became effective. Any fairminded man who would read the facts would certainly come to the conclusion that I have stated in my presentation.

Mr. PROXMIRE. Does it not follow, then, that the reduction in carryover was the result of reduction in production?

Mr. ELLENDER. There is no doubt about it.

Mr. PROXMIRE. Is it not a fact that the saving to the taxpayers is clear and the evidence is based on experience?

Mr. ELLENDER. There is no doubt about that.

Mr. PROXMIRE. Is it not also true that this has resulted in an increase and in a stabilization of farm income, on the basis of the statement of the Secretary of Agriculture and the facts?

Mr. ELLENDER. Of course, the program was put into effect in order to assist the farmers in their farm income. There is no doubt about that.

As the Senator will remember, when the present administration came into office, one of its first concerns was to try to increase farm income. I think the administration has succeeded in doing it. This program has certainly gone far to do something about it. As the Senator pointed out before, a person must be blind or biased or prejudiced not to conclude that this program has decreased the costs. This program has lessened to a great extent the cost to the taxpayer. I made reference to that fact in my presentation.

The figures I have presented were given to me by our economists, and were considered by the Department of Agriculture, and was ascertained on the same basis as other figures used in arriving at crop figures. In fact, they used the same method they have used for years.

Mr. PROXMIRE. Is it not also true that although the opponents of the bill complain—and I believe they have some basis for their complaint—that the Secretary of Agriculture will be given substantial discretion, he did write to the chairman of the committee and made it explicit and clear that he would limit his discretion and would not pay more than 18 cents per bushel, and would probably, as the Senator has pointed out, pay between 10 and 15 cents, but that he would be limited to 18 cents.

Mr. ELLENDER. That is correct. I emphasize again that the reason for the payment of 18 cents is written into the law. In other words, the purpose is to

give the full price support to those who cooperate. The Senator well knows that if the support price of \$1.25 had been made available through loan without the special payment being made, the feed grain market price would have been just under the \$1.25 support price that was fixed.

The noncooperators would have received the benefits from this higher price support in the market. In other words, although this is not on all fours, and the Senator will remember that in 1956, under the previous administration, there was on the statute books a corn program in connection with which it was decided that the cooperators would get \$1.50 a bushel. A few weeks after the program was announced, the Secretary of Agriculture, under the law, provided for \$1.25 in support for those who did not cooperate. That had the effect of causing a large number of growers to abandon their promise to go into the program, because if they planted all they desired on their farm—in other words, planted from fence to fence and from the doorstep to the front gate—they could make more money at \$1.25 per bushel than if they planted restricted acres at \$1.50 a bushel. When we placed that law on the statute books for the 1961, 1962, and 1963 crops—as we are trying to do again now—for the 1964 and 1965 crops it contained provisions to prevent the noncooperators from getting the benefit of the higher price support that the Secretary of Agriculture could pay. That is why we provide for a method by which the Secretary can pay a part of the support price in kind, and the rest in direct payments.

Mr. PROXMIRE. At the same time, are not the discretion and flexibility provided in the bill sensible, in view of the fact that this program is beginning to solve the problem, and therefore there should be a transition, and the Secretary should have an opportunity to use his discretion? There has been higher favorable weather in the feed grain production areas in the last few years. There may be a change in the weather. There are some indications already that there may be a change. If that happens, the Secretary will have the discretion to protect against a shortage. At the same time, the discretion given him will enable the Secretary to keep the cost down if there is a bumper crop. In other words, he should be able to move in that direction, to the point where perhaps we can hope the program will cost an insignificant amount to the taxpayer and eventually where we can achieve a balance between production and consumption. Is that not correct?

Mr. ELLENDER. That is correct. Instead of requiring 25 to 26 million acres, he may require only 10 million acres or 7½ million acres. This discretion will make the program less attractive so as to reduce some of the participation.

Mr. PROXMIRE. So we hope that by 1966 we may arrive at a situation in which a program of this dimension, or at least of this cost, may not be necessary.

Mr. ELLENDER. Yes.

Mr. PROXMIRE. Is it not true that the program actually represents a limitation on the Secretary of Agriculture in two important respects? First, he cannot make payments in cash, but must make payments in kind. Secondly, for the first time since 1961 he is limited in the price support to 90 percent of parity.

Mr. ELLENDER. That is correct. He cannot make diversion payments in cash under the bill. All diversion payments are to be in kind. And the support level required for 1961, 1962, and 1963 was not less than 65 percent of parity, with no upper limit on the Secretary's authority. This year the Secretary is limited to a level from 65 to 90 percent of parity, so his authority is certainly more limited in this respect.

Mr. PROXMIRE. I thank the Senator very much. I believe it is important to emphasize and stress the fact that this is an area in which Congress has not given the Secretary of Agriculture sky-is-the-limit discretion. He is now definitely limited.

Mr. ELLENDER. There is no doubt about it. Under the bill, the support level is not less than 65 percent nor more than 90 percent of parity. He could not go above 90 percent under the bill.

Mr. PROXMIRE. I thank the Senator very much. I wish to underline once more the fact that this is a voluntary program; that it is a program which, based on experience, will save money; that it has stabilized farm income and, in my opinion, has increased farm income; that the program provides only necessary discretion for the Secretary, in view of the fact that it is a transition program. Finally this bill delimits some of the Secretary's discretion for the first time. I thank the Senator for an excellent presentation.

Mr. ELLENDER. His discretion is no greater than it has been under laws on the statute books since 1938, as I pointed out earlier.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. Mr. President, I would like to ask the Senator if he can give us the reason why the base acreage for the 3 leading feed grains increased from 116 million acres in 1960, to 123,300,000 in 1962, and this year went up to 132,300,000. What is the reason for that increase in base acreage over the 3-year period?

Is the Senator sure that these acres existed? I hope that this base acreage was not raised by more than 16 million acres merely to pay the owners for not planting on nonexistent acres. It is very puzzling why the increase took place over that 3-year period.

I hope that before the debate ends, there will be an explanation of that. Possibly the Senator from Florida [Mr. HOLLAND] will explain it.

Mr. ELLENDER. Where does the Senator find a reference to that statement?

Mr. AIKEN. On page 24 of the report, in the minority views. I did not help to write the report; in fact, I was

absent from the city at the time it was prepared.

Mr. ELLENDER. I suppose the report will be thoroughly explained by someone else.

Mr. AIKEN. Very well; but I thought there should be an explanation.

Mr. ELLENDER. Yes. Of course, as the Senator will note on page 6, there has been a steady increase in the number of harvested acres until 1961. When the program became effective, the number of harvested acres decreased substantially. As I said, that was due to the program. I thought the Senator from Vermont was referring to the past 3 years. I know that there has been a difference in the number of acres that have been diverted in the past 3 or 4 years under the program.

Mr. AIKEN. Apparently the signup this year is less than it was last year. The indications are that 103,100,000 acres will be planted to the three feed grains this year compared with about 95.3 million acres last year. To these acreages we have to add the acreages diverted each year to get the total acreage accounted for by these commodities.

I am not being critical of the chairman; I merely happened to run across these figures, and they were new to me. At least, if I had known of them before, they had slipped my mind.

Mr. ELLENDER. I have before me the current number of harvested acres. The planted acres in 1962 were 125.9 million, and the harvested acres would be—

Mr. AIKEN. I do not ask the Senator from Louisiana to supply the figures now, but perhaps they should be placed in the RECORD before the debate is concluded.

Mr. ELLENDER. The Senator from Vermont will concede, will he not, that since the advent of the program, the number of harvested acres has decreased considerably?

Mr. AIKEN. I should hope so. I should hope that after an expenditure of \$1.7 billion for 2 years there would be some decrease; and I am sure there was.

Mr. ELLENDER. Certainly. Of course, that meant less production. As the Senator knows, Mr. Shuman said that instead of acreage decreasing, acreage increased. I have before me table 1, on page 6 of the report which indicates what the number of planted acres were from 1950 through 1962. I presume they are accurate figures because they are taken from the Department. If they differ from the ones contained in the minority views, I am not familiar with how the figuring was done. It may be that some of the data that were presented for the minority views came from the American Farm Bureau Federation; I do not know. However, the figures of the American Farm Bureau Federation differ from those the committee presented, particularly in respect to the carryover and the amount of grain that was consumed, and other factors.

Mr. AIKEN. I am not vouching for the accuracy of the figures in the minority views, but I assume they were

acquired from the Department. As the Senator knows, one can get figures from the same Department to prove almost anything.

Mr. ELLENDER. No, no. We can get the same figures from the Department; but after they have been obtained, they can be manipulated somewhat. That is true in almost any case.

The figures I am giving to the Senate have been taken from the Department records, and they are given in good faith. As I said previously, the figures concerning the carryover and the amount of feed grains consumed during a certain period, which show the trend, have also been taken from the Department. Those figures and conclusions have been reached in the same manner as the Department has been applying them for many years past.

Mr. AIKEN. However, I do not seem to find in the report that the basic acreage is submitted anywhere; merely the acreage that was planted and the acreage that was diverted. Probably we should have the base acreage for the various years accurately supplied before the debate is concluded.

Mr. ELLENDER. We have supplied the number of acres planted from 1950 through 1962.

Mr. AIKEN. That is different.

Mr. ELLENDER. We have shown the number of acres harvested from 1950 through 1962.

Mr. AIKEN. That is true; but what is lacking is the base acreage, which, according to the minority views, has increased from a planted acreage of 116 million acres in 1960 to 132,300,000 for 1963. I think we should know how that came about, if it came about.

Mr. ELLENDER. I shall ask the committee's economists to supply those figures.

Mr. AIKEN. That is all I ask.

Mr. ELLENDER. I did not see any necessity for those figures at the time; in fact, no member of the committee asked for them. However, I am sure the figures can be supplied.

Mr. MILLER. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield to the Senator from Iowa.

Mr. MILLER. I should like to ask the Senator from Louisiana a few questions. First, do I correctly understand him to say that if the law that is at present on the books should remain in effect, without any modification by the bill, 80-cents-a-bushel grain may be expected?

Mr. ELLENDER. The price support will be at a level from 50 to 90 percent of parity that will not result in increasing the surpluses of the Commodity Credit Corporation. I am told that the corn support price would amount to about 80 cents a bushel under this formula.

Mr. MILLER. I remind the Senator from Louisiana that I was one of several Senators who last year sounded that very warning at the time the feed grains bill of 1962 was passed. I am gratified to know that the Senator from Louisiana now recognizes that danger.

Mr. ELLENDER. Yes.

Mr. MILLER. Do I correctly understand that that danger is one reason for the consideration of the particular bill that is now before the Senate?

Mr. ELLENDER. That is one of the reasons. The Senator from Iowa well knows that when feed grains were considered, I was one of those who, for some time, led the fight in the Senate for a compulsory feed grains program. I believe the Senator from Iowa opposed that program. My reasons were very simple.

It is my judgment that if feed grain prices are stable, so that the farmer who feeds his livestock will know a year in advance what he will have to pay for his grain, the farmer can adopt a program according to whatever the figures show. But to have a situation in which the cost of feed would fluctuate or would go even as low as 80 cents a bushel would have a damaging effect, in my opinion, on the price of any kind of livestock that utilizes feed grains.

Mr. MILLER. I thoroughly agree with the Senator from Louisiana that such action could have a disastrous effect. That is one reason why many of us sounded a warning last year at the time 50 percent of parity was placed in the bill. Now that it is in the bill, we are faced with the argument that if we do not do something about it, possibly we shall have 50 percent of parity and 80-cent corn.

Mr. ELLENDER. I do not believe the situation goes that far. It is the judgment of some persons that if this program can be continued for another 2 years, at most, and if the carryover can be reduced to normalcy, which, I understand, is around 45 and 50 million tons, the farmers will then be able to take care of the situation on their own, and will produce in keeping with the requirements.

Mr. MILLER. In the meantime, the Senator from Louisiana certainly recognizes the tragedy that could flow from 80-cent corn and 50 percent of parity, as they exist under present law.

Mr. ELLENDER. The tragedy came about because the Senate would not agree with the chairman of the committee. If the chairman of the committee had been able to obtain enactment of the program he advocated, the so-called tragedy, to which the Senator from Iowa refers, would not have occurred. But I was licked, and that was it.

Mr. MILLER. If I were in favor of a controlled program, a nonvoluntary program, I would be more than happy to adopt the Senator's argument, because he presents an argument for that kind of program very well. But the point I am making is that if we are in danger, perhaps, under the present law of having corn drop to 80 cents a bushel and of having 50 percent of parity visited upon the farmers, it seems to me this is one of the underlying reasons why a bill has come before Congress now to alleviate that possibility. Am I correct in my understanding?

Mr. ELLENDER. Not entirely so, on that basis. Perhaps the Senator was

present when I began my remarks. At that time I said that the reason why we want the bill enacted is to get to the farmers who will vote on May 21 full knowledge of the program which can be envisioned in the event the referendum is successful, because, as the Senator knows, there is in the wheat law a provision which gives the farmers the right to transfer acreage from wheat to corn, or vice versa, provided there is an acreage diversion program in effect for feed grains.

Mr. MILLER. I am familiar with that. But does the Senator from Louisiana still make the point about 80 cents a bushel corn?

Mr. ELLENDER. I do.

Mr. MILLER. Then, if we are concerned about the possibility of 80 cents a bushel corn and 50 percent parity for feed grains, and if, therefore, this bill is being rushed through in order to alleviate that problem, why is it that the wheat farmers are being told that if they do not vote for the program on May 21, Congress will do nothing about the situation—which will put them in the same position, next year, that the feed grain farmers are faced with now; namely, 50 percent of parity.

Mr. ELLENDER. So far as I can determine, that is a fact, because I do not believe Congress will enact any wheat legislation this year.

Mr. MILLER. Yet we are willing to enact legislation for the feed-grain farmers.

Mr. ELLENDER. That is only one of the reasons. But in my speech I give many reasons for the enactment of this measure, and it is not related only to the argument the Senator has stated.

Mr. MILLER. But the Senator from Louisiana recognizes, does he not, that this is a very important argument?

Mr. ELLENDER. Yes; but it is only one of the many.

Mr. MILLER. But the Senator from Louisiana still does not think it is important enough to warrant having Congress take the same action in the case of wheat, does he?

Mr. ELLENDER. No, for the reason that the wheat producers have their chance now. Under the law, if the referendum fails, compliers would receive price supports of 50 percent of parity. I shall not go into the reasons why we changed the wheat bill last year, because all that is history now. In the bill we included the clause to which I referred a moment ago. But in order that the wheat farmers may have full opportunity to know what they can do or what they can expect, I believe this feed-grain bill should be passed, because the wheat farmers could not make the substitution of wheat for feed grains unless the feed-grain program were enacted.

Mr. MILLER. On the basis of the Senator's colloquy with the Senator from Wisconsin, I think perhaps before we are too hasty about emphasizing some of the virtues of the program under which we have been operating, it would be well to develop several points.

First, a question was asked—and the Senator from Louisiana answered it in

the affirmative—about the reduction of production. Also, a question was asked—and again the Senator from Louisiana answered it in the affirmative—regarding the carryover stocks of feed grains.

Does the Senator from Louisiana have any figures which show the relationship between the reduction of carryover stocks, on the one hand, and the increase in domestic consumption, the increase in exports under Public Law 480, the increase in distribution under the food-for-peace program, and the increase in distribution under the stamp program?

Mr. ELLENDER. Yes; and if the Senator from Iowa will read my speech, he will see them. As I recall, the increase in production was 44 percent, and the increase in domestic utilization was 36 percent.

Mr. MILLER. Will the Senator from Louisiana relate those increases to the reduction of carryover stocks?

Mr. ELLENDER. Now the Senator from Iowa is arguing in the way Mr. Shuman did.

Mr. MILLER. I am not arguing; I am asking questions.

Mr. ELLENDER. If the Senator will examine the tables I placed in the Record, I am sure his question will be answered. If he will look at table 1, he will note that production increased from 114.1 million tons in 1954 to 155.6 million tons in 1960; and if he will look at the column headed "Utilization," he will find that the utilization in 1954 was 107.6 million tons, and in 1960 it was 145.9 million tons.

Mr. MILLER. I do not believe the Senator is being responsive—although I know he is trying to be—to my question in regard to comparing the years 1960, 1961, and 1962 as regards the carryover stocks of feed grains and the increased consumption domestically and the increased exports and other uses. That is the information I am trying to obtain.

Mr. ELLENDER. I understand that; and I am trying to answer as best I can. The Senator from Iowa has the tables before him. He will find that in 1961, production was reduced—below that in 1960—to 140.6 million tons—the table shows 140.1 million tons, but that is a typographical error, it should be 140.6; and utilization increased, from 145.9 million tons in 1960 to 154 million tons in 1961. Is that the information the Senator from Iowa wishes to have? If so, there it is.

Mr. MILLER. Are the figures for utilization those for domestic utilization only?

Mr. ELLENDER. No, for all utilization, covering everything.

Mr. MILLER. For what years?

Mr. ELLENDER. For 1961—the first year of the program.

Mr. MILLER. Let me ask the Senator about the year 1962.

Mr. ELLENDER. In 1962, the utilization was only two-tenths of a million tons more.

Mr. MILLER. How much was the reduction in the carryover stocks?

Mr. ELLENDER. The carryover was reduced from 84.7 million tons in 1961

to 71.8 million tons in 1962; and the estimate is that by 1963 it will be reduced to 61 million tons.

Mr. MILLER. Then do I correctly understand the Senator from Louisiana to say that the reduction of the carryover stocks from 1961 to 1962 was from 84.7 million tons to what?

Mr. ELLENDER. To 71.8 million tons.

Mr. MILLER. Or a reduction of approximately 13 million tons?

Mr. ELLENDER. Yes, 12.9 million tons.

Mr. MILLER. How much was the increase in consumption?

Mr. ELLENDER. Utilization in 1961 was 154 million tons; in 1962, 152 million tons. There was less exported in 1962 and more consumed domestically.

Mr. MILLER. Then of the 12.9 million tons of reduction in carryover, it appears that about 7 million tons resulted from increase in consumption. Is that correct?

Mr. ELLENDER. I believe my good friend ignores the fact that there was a reduction in production. Production fell from 155.6 million tons to 143 million in 1962.

Mr. MILLER. In what year was that 155 million production?

Mr. ELLENDER. That was 1960—155.6 million tons.

Mr. MILLER. We are trying to get a comparison between 1961 and 1962.

Mr. ELLENDER. I wish the Senator would read my speech and look at the tables which I submitted for the Record. He would find the answer to his question there.

Mr. MILLER. If the Senator from Louisiana will forget 1960 and go into 1961, I believe he can give me the answer I seek and which I think should be in the Record. What is the difference between 1961 and 1962?

Mr. ELLENDER. The Senator can figure for himself with pencil and paper. Production in 1960 was 155.6 million tons. In 1961, it was 140.1 million tons; in 1962, it was 143.1 million tons.

Utilization for the same years, beginning with 1960, was 145.9 million tons; for 1961, 154.0 million tons; for 1962, 154.2 million tons.

The total carryover in 1960 was 74.6 million tons; in 1961 it was 84.7 million tons; and in 1962 it was 71.6 million tons. The estimate for 1963 is 61 million tons.

Mr. MILLER. I thank the Senator for bringing out those figures. That is the point I am making. When we talk about 1962, it seems to me that we cannot go to a reduction in production for that year as a source for reduction in carryover stocks, because actually production went up a little. It went up some 3 million.

Mr. ELLENDER. I ask the Senator not to forget that those were 2 program years. We could not expect the difference between 1961 and 1962 to be great because those were the years in which we had a program. But the Senator should figure on what the production was in 1960, the last year of no program, and 1961 and 1962, when there was a program.

Mr. MILLER. The Senator from Iowa is not overlooking the fact that there is a difference between 1960 and 1961. What the Senator is interested in looking at is the continuation of the program and whether or not it is doing what some of the proponents claim it is doing. From the Senator's figures it appears to me that he cannot say that the reduction in carryover stocks from 1961 to 1962 has been due to a reduction in production, because actually it appears that production went up a little. Therefore, we must look to increased consumption or increased utilization.

Mr. ELLENDER. The Senator ought to figure that if we had not had a program, the same trend as appears in the table of increased production would have carried through 1960, 1961, and 1962. For example, in 1958 production was 144 million tons. In 1959 it went to 149.6 million tons. In 1960 it went to 155.6 million tons.

During the first year of the program, production went down to 140.1 million tons. The second year under the program production was at 143.1 million, up a little from 1961 but well below 1960. If we had had no program, there is no doubt that the same tendency would have existed as in the past, which would have resulted in an increase in production.

For the information of my good friend, who is from a State in which the corn grows tall, I have a table numbered 2, which indicates the trend in the production of corn. Production of corn in 1960 was 3.908 billion bushels. With the program, production went down to 3.626 billion bushels. Without the program it would have been 4.275 billion for 1961.

In 1962, with the program, production was 3.644 billion bushels. Without the program the estimate is that it would have been 4.430 billion bushels.

For the current year, with the program, production is expected to be 3.8 billion, and without the program production would have been 4.430 billion. Of course, that would be reflected in the carryover, as the Senator well knows.

Mr. MILLER. I thank my colleague for bringing out that point. But I should like to point out to him that I had no part of the previous program. It was not my privilege to serve in the Senate with him at that time. I am not particularly interested in ancient history right now. I am interested in where we are going from here. I am not so much concerned about comparisons between no program and this program, because the Senator well knows that many programs could be used. I do not think some people who write to me and profess concern about the present program would be satisfied if I should write back and tell them, "Look how much better it is now than if we did not have anything at all."

If I did so, the people would come right back, as I have come back to the Senator from Louisiana, and would say, "That is not the choice. The choice is between programs and not between no program and the proposed program."

I should like to ask another question. Something was said about the reduction

in the cost of the program. Yet, if I recall correctly, the appropriations for the Department of Agriculture from the fiscal year 1961 to the fiscal year 1962 went up approximately \$1 billion or more. How can we say that the program has cut down the cost to the taxpayers when the appropriation for the USDA has gone up \$1 billion a year?

Mr. ELLENDER. That covered all expenses and included a consolidation of losses for the previous years. The Senator knows that. The increase did not pertain particularly to the corn or other feed grain programs solely.

Mr. MILLER. Is the Senator saying that the cost of the USDA appropriations will not go up another \$1 billion?

Mr. ELLENDER. I wish the Senator would relate his costs to the program itself and not to the overall cost of the Department of Agriculture. I believe the Senator is trying to elicit from me, for the record, the cost of the present program. I have so stated in my address. I have given it in a table. The report also shows the cost.

Mr. MILLER. The Senator knows that I am not merely trying to elicit that cost. The Senator knows I am trying to put in perspective the little colloquy between him and the Senator from Wisconsin [Mr. PROXMIER] with regard to the cost savings to taxpayers. I find it very difficult to go back home, to face taxpayers in my State, and tell them the cost of the present program is not as great as it was. In reply they can point to the increased costs every year of the USDA appropriations.

My final question relates to the increase in income of farmers, which is the point that the Senator stressed in his statement. It is also a point that the Senator from Wisconsin stressed. Yet, as I understand, the net income for farming for last year was about the same as it was for 1961, and it is forecast that the net income for 1963 will be about the same as for the calendar year 1962.

Mr. ELLENDER. The net income for 1960 was \$11.692 million. The net income for 1961 was \$12.803 million. The net income for 1962 was \$12.900 million.

Mr. MILLER. It was about the same as between 1961 and 1962, then?

Mr. ELLENDER. It was a little higher in 1962.

Mr. MILLER. Yes. Will the Senator yield further?

The PRESIDING OFFICER (Mr. McGovern in the chair). Does the Senator yield?

Mr. ELLENDER. I yield.

Mr. MILLER. Getting back to the difference in income as between 1960 and 1961, as I understand the situation, the difference was almost entirely the same amount as the land retirement payments.

Mr. ELLENDER. That is the argument of the Farm Bureau, and probably of the Senator from Iowa.

Mr. MILLER. Is it correct? I do not care who makes the argument. I am merely asking the question.

Mr. ELLENDER. It may be that the figures jibe, yes, but it was not due to that circumstance. I suppose the Senator is arguing that income was not increasing at the marketplace.

Mr. MILLER. What is the Senator's question?

Mr. ELLENDER. The Senator is endeavoring to argue that there was no increased income at the marketplace, but that it was due almost exclusively to benefit payments, I suppose.

Mr. MILLER. Not quite.

Mr. ELLENDER. Is that not the Senator's argument?

Mr. MILLER. Not quite.

Let me state my point. My point is that if there had not been the land retirements paid for in 1961, the farmers would have raised their crops of feed grains and sold them in 1962, so there really was an acceleration of 1962 income in 1961 in the amount of the land retirement payments. I would not call that quite the same as a difference in the marketplace. I would call it a shift of or an acceleration of income.

That is why I do not think there was much difference in income as between 1961 and 1962, nor is it anticipated that there will be much difference as between 1963 and 1962. The farmers got a 1-year jump on some income.

On the question of net income for farming, I have heard all kinds of claims made about how farmers are doing so much better. The Senator is aware of the fact that during the past 2-year period, while the emergency feed grain program has been in operation, 367,000 farmers and farm operators have gone off the farms. If I read the reports of the Department of Commerce correctly, it is stated that the only reason why there has been an increase—not a large one—in income per farmer is because there are fewer farmers. Does the Senator agree with that conclusion?

Mr. ELLENDER. It has always been the case—and I am positive of this—that if it were not for the fact that we have had and do have these farm programs there is no telling what might happen to the principal segment of our economy, which is farming. The Senator well knows what would happen to our economy if, overnight, we were to remove all the payments of which he is complaining.

Mr. MILLER. Yes.

Mr. ELLENDER. And price supports.

Mr. MILLER. One of the universities in my State conducted a survey on that question in 1960, and pointed out how disastrous it would be.

Mr. ELLENDER. Yes. I think a study of the subject was made by the Extension Service at Iowa University.

Mr. MILLER. Iowa State University.

Mr. ELLENDER. By the Extension Service, or whatever branch it was.

Mr. MILLER. Yes.

Mr. ELLENDER. The committee distributed thousands of copies of the study.

Personally I do not wish to see us get into that difficulty. It would seem to me that these programs might taper down gradually. If we can reduce the enormous surpluses of corn and other feed grains to normal figures, that will help a good deal. That is the effort which is being put forth now by those of us who want to accomplish that end, and by the Department.

Mr. MILLER. I know that is the purpose of my friend from Louisiana; and he knows that is my purpose. I do not want the Senator to think that I am being unduly critical, but I feel that we ought to have the RECORD show certain things.

My bone of contention is the colloquy between the Senator from Louisiana and the Senator from Wisconsin, in which leading questions were asked about the saving of income to taxpayers and the increasing of income to the farmers. I think it is all right for the Senator to answer those questions as he did, if he so desires, but at the same time the RECORD ought to show some other factors which are involved, which I have been trying to bring out during our colloquy.

Mr. ELLENDER. The Senator will have an opportunity to do that on his own time. I contend that if we had had no program whatever as to feed grains, as we have had since 1961, we would have had an unlimited production of corn. I do not know of any reason why the trend upward of surpluses and cost to the Government would not have been as I indicated was the case from 1958 through 1960. The trend was present.

Mr. MILLER. I fail to see why.

Mr. ELLENDER. If I recall the figure correctly, at one time the cost for corn, other feed grains, and wheat was almost a billion dollars a year on a carrying charge basis. We have reduced that. I do not recall the exact figure. We hope to continue that trend by reducing the carryover, as has been indicated by the tables which I placed in the RECORD.

Mr. MILLER. I fail to understand why the Senator persists in talking about the difference between having this program and having nothing. I do not think that is the choice which ought to be given to the farmers of our country—"Take this program or take nothing." If they take the program, it is pointed out to them how much better off things are than they would be if they had nothing.

I do not think the problem is that simple. I think the farmers have a choice as among programs. Of course, the Senator knows this is one of the underlying arguments behind the wheat referendum.

I do not wish to take any more of the Senator's time, and I thank the Senator for his gracious attention to my questions.

Mr. ELLENDER. I was glad to answer the Senator's questions.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HOLLAND. I do not wish to detain the Senator from Louisiana unduly. I understand he has not had his lunch. I would like to ask him about four questions.

If the Senator from Louisiana will advert to page 240 of the printed hearings, he will find a statement there filed by the U.S. Chamber of Commerce, which may or may not be correct in whole or in part. It is about that statement that I wanted to ask the Senator from Louisiana some questions, and about that particular paragraph in the statement

headed "Costs, Results, and Income Effects."

The first figure I ask the Senator from Louisiana about is in the second paragraph of that section of the statement which reads:

On the basis of 2 crop years of operation, 1961 and 1962, the net reduction in the output for 1962 from 1960 for corn, barley, and grain sorghums was 379 million bushels. The cost of the diversion program for 1961 and 1962 has been \$1,695 million. Measured in this way, it could be said that each bushel of feed grain reduction cost \$4.48.

I note that apparently the figures are taken from the tables to which the Senator from Louisiana has referred, on page 7 of the printed hearings.

I ask the Senator if he will comment on that particular measurement of the high cost of the program as made in that particular statement?

Mr. ELLENDER. Of course, I did not ascertain the amount of \$4.48 a bushel. That is the figure; is it not?

Mr. HOLLAND. Four dollars and forty-eight cents a bushel, figured only as presented by that statement in the printed hearings.

Mr. ELLENDER. I understand. The Senator from Florida will remember that one witness from Illinois said the cost was \$30 a bushel. So it depends on what figures one uses. If one used the figure of 1.7 million tons as being the correct figure for the reduction in the carryover in 1961 attributable to the program, as one witness did, one could say that the cost was \$25 or \$30 a bushel. But the U.S. Chamber of Commerce fails to take into consideration the fact that, without the programs, production would have continued to increase at rates similar to previous years. As I pointed out, in corn alone the increase in 1961 would have been from 3.6 billion bushels actually produced to 4.2 estimated, and in 1962 from 3.6 billion bushels actually produced to 4.4 billion bushels which would have been produced had there been no diversion program.

If the Senator takes into consideration the huge amount of corn and other feed grains that would have been produced if the program had not gone into effect, and the enormous costs that would have resulted because of the increase in surpluses, I say those figures are absolutely wrong. They are misleading.

Mr. HOLLAND. What the Senator means, I am sure, and I am inclined to agree with him, is that this is not the only way to measure the value of the program.

What the Senator means is that the way it was stated by this witness in the statement to which I have referred, is not, in the Senator's opinion, a sound way to measure the value of the program.

Mr. ELLENDER. Exactly.

Mr. HOLLAND. I agree with the Senator that this is not the only way, but it is one way. According to this method of measurement, which is that 379 million bushels was the net reduction of the 1962 crop from the 1960 crop, the cost of the program was \$4.48 a bushel.

I come now to the second standard applied. The witness who filed the statement with the committee presents two different standards, and I think it is the second standard that I am sure the Senator from Louisiana would say, or I would say, is nearer a correct standard than the first, and I think it shows a very high cost. I read that second standard:

But taking into consideration the reduction of 415 million bushels of the three grains in Commodity Credit Corporation stocks and loans between February 28, 1961, and February 28, 1963, a total reduction of production and Government stocks for the 2-year period totals 794 million bushels.

That compares with the 379 million bushels stated in the earlier paragraph.

Mr. ELLENDER. That is correct.

Mr. HOLLAND. I continue to read:

Measured against the cost of the programs for the 2 years, the cost per bushel of total reduction of both is \$2.13. This is, in our judgment, an inordinately high cost operation.

Does the Senator agree with that?

Mr. ELLENDER. Yes; if one takes the figures as the Senator has read them and makes the computations the witness made, I imagine one would reach the figure the witness reached. But I do not think that is any way to figure the cost of the program, and when one considers the additional amount of grains that would have been produced without a program and the enormous amount of carrying charges and storing charges, one arrives at a different answer. As the Senator knows, and as is shown in the RECORD, this Government has had some grain in storage for 7 years. The cost of accumulated storage charges amounted to about \$1.50 when the cost to the Government of buying that grain was about \$1.20, or a little over a dollar.

Mr. HOLLAND. I think the Senator from Louisiana has made it clear that he does not agree with the second measure or standard of the value of the program, which seems to me, however, to be a much fairer one than the first one. I come now to the third standard:

Moreover, the costs of the program equaled more than 34 percent of the total cash receipts from the sale of the three grains by farmers in 1961. In 1962, the figure was more than 36 percent.

I ask the distinguished Senator from Louisiana if he thinks it is a sound program to have the total of the cash receipts from the sale of the three grains by farmers so little more than the cost of the program.

Mr. ELLENDER. It depends on how one uses the figures. If these were accurate figures, based on a fair evaluation of the program, I would say the cost is excessive, but I point out that we must take the overall picture of what the cost would have been if we had not had these programs. Furthermore, the Senator must take into consideration the fact that cash receipts represents only grain sold, while about 70 percent of the grain produced is not marketed but is fed on the farms where it is reduced. A fairer way to figure this would be to use value of

production rather than cash receipts from marketings.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield for a question on that point?

Mr. HOLLAND. If the Senator will allow me to complete my questions, I shall be glad to desist.

Mr. ELLENDER. I think the Senator from North Dakota wanted to ask a question based on the question the Senator from Florida asked.

Mr. HOLLAND. Very well.

Mr. YOUNG of North Dakota. The table on page 7 of the hearings gives the number of acres diverted from corn, sorghum grain, and barley, for 3 years. The first year, 1961, it was 25.2 million acres. The second year, 1962, it was 28.6 million acres. The third year, 1963, it was 25.7 million acres. If those acres had been in production, our surpluses would have been far greater than they are now.

Mr. HOLLAND. The Senator, of course, has a point, but the fact is that the acres diverted were the acres least productive. The Secretary of Agriculture so stated, and it is a matter of common knowledge, besides. The reduction in production may well be what would have been produced on that poorer acreage.

The witness, however, in bringing out by his statement the fact that such a large proportion of the total sums received by the producers for the price of grain was by way of price support moneys paid to producers by the Federal Government, objects to that because it shows the Federal Government supporting in large part the cost of production. That is the purpose of the question of the Senator from Florida, because he does not believe the Senator from North Dakota wants the Government paying 36 percent of the sale price of the grain to farmers to produce it.

Mr. YOUNG of North Dakota. But the cost to the Federal Government would have been far greater if the acreage had not been diverted and had been putting additional grain in Government storage.

Mr. HOLLAND. If I understand the Senator correctly, he is not claiming the program is so effective, but that we would have been in worse shape if we had not had such a program.

That, of course, is a question for debate. The Senator from Florida has no intention of debating that subject, because it is not a subject that is being considered now, and because he did not support the programs under which these huge surpluses were created.

Mr. ELLENDER. I should like to suggest to the Senator how the \$4.48 per bushel was used in the second paragraph to which he has referred, on page 240. Let us read that paragraph. It reads:

On the basis of 2 crop years of operation, 1961 and 1962, the net reduction in the output for 1962 from 1960 for corn, barley, and grain sorghums was 379 million bushels. The cost of the diversion program for 1961 and 1962 has been \$1,695 million. Measured in this way, it could be said that each bushel of feed grain reduction cost \$4.48.

In other words, what has been done was to take the cost for 2 years and divide by the reduction in output for 1 year.

Mr. HOLLAND. The Senator from Florida called attention to that, in his statement, and he also stated that he thought that was not a sound way to evaluate a program, but that it is one way of evaluating it.

Mr. ELLENDER. I agree with the Senator that that is not a sound way to evaluate the program.

Mr. HOLLAND. The Senator has so stated, and the RECORD shows.

The second paragraph would fix the cost at \$2.13. I asked the distinguished Senator to comment, and I believe he has done so.

The third question was——

Mr. ELLENDER. Is that based on the cost in both years?

Mr. HOLLAND. They took the reduction in production and added it to the reduction in CCC stocks.

Mr. ELLENDER. In that case, as in the first case, they did not take into consideration the amounts that would have been saved had we not had a program.

Mr. HOLLAND. That is a bit of casuistry in which the Senator from Florida did not want to indulge, because he has heard so many statements made as to what would have been saved if the poorer acres had been included. The third question was with respect to the next paragraph which I shall read again:

Moreover, the costs of the program equaled more than 34 percent of the total cash receipts from the sale of the three grains by farmers in 1961. In 1962, the figure was more than 36 percent.

I ask the distinguished Senator if he feels it was sound for the Government to pay that large proportion of the total cash receipts of the farmers for reducing grain production.

Mr. ELLENDER. If the figures are correct, in order to obtain this reduction—as I have said, I do not know the basis for the 36 percent, or the basis for the 34 percent—I would say those figures appear to be very high. Of course, I doubt that I would have advocated a program that was so costly, unless we figured the savings that could be attained by other programs not having been put into effect. But, I say again, that about 70 percent of the feed grains are fed on farms where produced, and only about 30 percent sold in the market. Therefore, cash receipts are only a small part of the value of production of all feed grains.

The fact that all these figures that were presented by the chambers of commerce and by Mr. Shuman—and I believe the Senator was present when Mr. Shuman testified——

Mr. HOLLAND. No; I was not present.

Mr. ELLENDER. I hope the Senator will read the record, because Mr. Shuman's argument was that the program had caused the price of feed grain to go down and thereby had had a serious effect on decreasing the price of livestock. Another witness from the same organization said that the effect of the program was to increase the price of the grain.

I believe that my good friend from Florida presided when a number of members of the organization from his State appeared. As I remember, the point of their contention was that the program had increased feed costs. That is not in accordance with the testimony of the president of the same organization, the American Farm Bureau Federation.

Mr. HOLLAND. I am not pleading for or against anyone's statement. I am merely asking the distinguished chairman of our committee, for whom I have great respect, as he knows, to give his opinion. The last paragraph in this particular section of this witness' statement, who was Mr. Theron J. Rice, is, I think, particularly appealing to me and, I hope it will be to the distinguished Senator from Louisiana. That statement is as follows:

The magnitude of income effects of the diversion payments is shown by the fact that in 1960 government payments were 9 percent of net operator cash income from farming. For 1961, this rose to 18 percent—

That is the first year of this crash program.

and for 1962, Government payments constituted 25 percent.

I ask my distinguished friend if he thinks this is a sound trend, to allow the Government to raise and continue to raise its subsidization of feed grain producers.

Mr. ELLENDER. Of course not. I am wondering if the figures taken by the Senator are figures that apply solely to the feed grain program. Do they take into consideration conservation payments and various other payments made to the farmer?

Mr. HOLLAND. My understanding is that we are talking now about the overall effect of the feed grain program on Government payments to farmers.

Mr. ELLENDER. I am wondering about these payments. The witness said:

The magnitude of income effects of the diversion payments is shown by the fact that in 1960 Government payments were 9 percent of net operator cash income from farming. For 1961, this rose to 18 percent, and for 1962, Government payments constituted 25 percent.

I am wondering whether that statement took into consideration the payments other than that made to the farmers for taking acres out of cultivation.

Mr. HOLLAND. In answer I would say that the figures include the feed grain diversion payments, which helped greatly to increase Government payments to 25 percent of net cash income.

I should like to say one thing further before pausing for such reply as the Senator may wish to make. It seems to me that we have gotten into a very unhealthy situation in respect to these emergency programs from year to year, for the past 3 years. It is now proposed to do the same thing for 2 years ahead, and to do it within a few days in order to affect a vote in a referendum on another commodity, wheat. We propose to buy over the support and confidence of millions of producers of grains by raising the Government's contribution to their

income to the high figures stated in the testimony.

Does the Senator think it is sound for the Government to make such high payments to the grain and other producers?

Mr. ELLENDER. If the Senator's figures are correct; yes. However, I doubt the correctness of them, for the reason that the chamber of commerce states that in 1960 payments were 9 percent of net operator cash income. We had no feed grain program in 1960 which provided for direct payments for diversion. Therefore, the statement quoted by the Senator takes into consideration other than feed-grain payments.

Mr. HOLLAND. The figures show in the years 1961 and 1962 the Government has raised very greatly its subsidies to the producers of feed grains.

Mr. ELLENDER. Any amounts paid under the feed grain program were to take acres out of cultivation, so as to reduce surpluses, which did occur. That is true.

When the feed grain program was considered in 1961 and 1962, and the renewal in 1963, the Farm Bureau opposed those programs as vigorously as it opposed the wheat program. When asked what program it would offer, the Farm Bureau proposed a program along the same line as the one now under consideration, except that they said that the payments would not be so high for land retirement as they are in the case of corn and other feed grains. But, as I remember, the program envisioned payments on from 65 million to 80 million acres of land which would be taken out of cultivation; and on the rest of it, the farmers would be able to plant whatever they desired.

I say that whether we take the program as it was enacted by Congress or the program which was suggested by the chief opponent of the program—when I say "chief opponent," I mean the principal opponent among the many organizations—both of them are costly. In my judgment, if the figures were tallied at the end, there would not be too much difference between the program which Congress enacted and the one which was submitted by the present chief opponent of the program.

Mr. HOLLAND. I thank the distinguished Senator from Louisiana for yielding so courteously to me.

Mr. HICKENLOOPER. Mr. President, will the Senator from Louisiana yield for a question?

Mr. ELLENDER. Before yielding, I should like to repeat that I do not know where the chamber of commerce obtained those figures or how it compiled them. They say that the 1960 Government payments were 9 percent of the net operation cash income. As I stated, there was no feed grain program providing for payments for retired acres in corn or feed grains during that year. Evidently other income must have been included in order to reach that figure. I have had a computation made by the chief economist of the Committee on Agriculture and Forestry. For 1961, realized net farm income was \$12,803 million. The payments aggregated \$824 million. So of the net

income of 1961, the feed grain payments would have been 6.4 percent instead of 29 percent, 18 percent, or 25 percent, as recited by the chamber of commerce.

I now yield to the Senator from Iowa.

Mr. HICKENLOOPER. A moment ago I understood the Senator from Louisiana to say that when the feed grain bill was being proposed, the American Farm Bureau Federation opposed it; and that the only thing it proposed was a substitute based upon the retirement of X million acres of land. I understood the Senator from Louisiana to say that this would be approximately as costly as this program, or perhaps not any more costly than the program now in effect.

I understood the Senator from Louisiana to say that from that standpoint there was not much difference.

I merely call the attention of the Senator from Louisiana to the one fundamental difference between the program in effect, the program of the present Department of Agriculture, and the program proposed by the American Farm Bureau Federation. The program proposed by the Farm Bureau, while it would be no more expensive, would have kept and maintained the farmers' freedom of action, without their being supervised by bureaucrats and the horde of personnel in the Department of Agriculture. There is a great difference between bureaucratic control of the farmer, on the one hand, and freedom of action of the farmer, on the other. I think that is a very significant difference.

Mr. ELLENDER. I grant that; but the Senator from Iowa knows that the corn and other feed grains program is a voluntary program. The farmer does not have to participate if he does not wish to. He can plant all the corn he wishes to plant; he can plant all the oats he wishes to plant. But if he does not cooperate, he does not get price supports. The farmer is free to do whatever he pleases: to plant all he wishes to plant, or to comply with the acreage allotments and get price supports.

Mr. HICKENLOOPER. But there is a vast difference between the two programs.

Mr. ELLENDER. No; I do not see how the Senator can say that.

Mr. HICKENLOOPER. On the one hand, the Federal Government steps in and, on the basis of fair compensation, on a bid basis or otherwise, retires X number of acres throughout the country. That does not require mandatory legal cooperation in order for the farmer to get the benefit. The determination of acreage is based upon a mandatory consideration for the retirement of acres. The farmer is free to plant what he wishes to plant on the acres that remain.

Mr. ELLENDER. But it depends on price support, also. Price support is attached to that program. If the Senator will examine the program submitted by the American Farm Bureau Federation, he will see that price supports were offered to the compliers, because that would be the way to proceed. It would not be possible to persuade farmers to act or to comply with the program unless there were some inducement.

Mr. HICKENLOOPER. The inducement is a reasonable price for the retired acres.

Mr. ELLENDER. I know; but price supports enter into the consideration, too.

Mr. HICKENLOOPER. But the price supports were not at an attractive rate.

Mr. ELLENDER. They were only \$1.06 at the time for the growers of corn and other feed.

Mr. HICKENLOOPER. Ninety percent of a 3-year average.

Mr. ELLENDER. But I reiterate that this is a voluntary program, one without compulsion on any farmer to plant or not to plant. He can plant all the feed grains he desires. The only penalty, if he does not comply, is that he will not receive price supports.

Mr. President, I yield the floor.

Mr. MAGNUSON. Mr. President, Washington and the Pacific Northwest are surplus producers of feed grain. Barley, primarily, is used as a feed grain in Washington because it is the least expensive. In recent years we have been producing about 1½ million tons of barley each year and have been feeding only about one-third of what we produce. Probably about 10 percent of it goes to the malting industry and the remainder or over one-half of our output is exported, mostly with the aid of Federal programs.

H.R. 4997, now under consideration, would extend the currently successful feed grain program for the 1964-65 crop years and complement the 1964 wheat certificate plan. Unless Congress enacts such legislation prior to the wheat referendum on May 21, it in effect will be asking the wheatgrowers of America to make a decision without all of the facts. Postponement of passage of the bill after May 21 will make the feed grain plan more difficult to accept and serve no useful purpose. If the referendum carries both our wheat and feed grain producers will have need of this legislation. The wheatgrowers will require a land retirement feed grain program under the substitution clause of the wheat certificate plan, and the feed grain growers will want to continue the reduction of the burdensome feed grain carryover and thus insure a fair return on their labor. If the wheat referendum fails, the feed producers will have reasonable legislation, and the wheat producers will have made their choice.

I have received innumerable indications of support in my State for the timely passage of H.R. 4997. I ask unanimous consent to have printed in the RECORD representative letters in this connection. The first is a letter from Mr. Robert Tanke, president of the North Pacific Grain Growers, a regional cooperative grain marketing association.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NORTH PACIFIC GRAIN GROWERS, INC.,
Mohler, Wash., April 29, 1963.
Senator WARREN G. MAGNUSON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: In a regular meeting of our board of directors held in Lewiston, Idaho,

on April 25, 1963, a resolution was passed to support a favorable vote for the 1964 wheat referendum.

As a farmer owned and controlled grain marketing cooperative we feel it is our responsibility to our members to support any legislation affecting our members' welfare.

The passage of the feed grain bill is the key to making the wheat program the workable program we need to give the farmer in the Pacific Northwest the flexibility necessary for the economical operation of his farm.

We request your support on the passage of the feed grain bill, and we urge final passage before May 21, 1963.

Sincerely,

ROBERT W. TANKE,
President.

Mr. MAGNUSON. Mr. President, among the many other resolute organizations representing both the wheat and feed grain growers support the immediate passage of H.R. 4997 is the National Association of Wheat Growers. That organization's president, Mr. Glen Bayne, from Washington State, has indicated to me that this measure will best meet the needs of the Pacific Northwest. This morning I received from him a letter in connection with H.R. 4997. I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION
OF WHEAT GROWERS,
Washington, D.C., May 10, 1963.

Hon. WARREN G. MAGNUSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MAGNUSON: We respectfully urge you to support H.R. 4997, a bill to extend the feed grain program for the years 1964 and 1965.

This legislation covering the 1964 and 1965 crop years extends the currently successful feed grain legislation for these years. The present feed grain legislation has, to our best knowledge, reduced the burdensome feed grains carryover, reduced the cost to the taxpayer, and maintained the feed producers' income at a reasonable level.

The need for passage of this legislation prior to the May 21 wheat referendum is very apparent when we realize that the 1964 wheat certificate plan needs a land retirement feed grain program to round out and complete the wheat plan. The substitution clause of the wheat certificate plan requires the existence of a land retirement feed grain program for its implementation.

With a "Yes" vote in the referendum and with this feed grain legislation, we especially want to point out the freedom of choice by the farmer after he has made his required land retirement, to plant and harvest any combination of wheat and feed grains he might desire. Of course, if he wishes to comply for wheat certificates, under the law, he must plant the 80 percent of his allotment acres to wheat.

With a "No" vote, if he wishes price support and to avoid all penalties he must plant wheat within his allotment the balance of his land or 60 acres in feed grains other than wheat.

Delay of passage of this legislation beyond the May 21 referendum will, we believe, make its acceptance more difficult and will serve no good purpose. We understand that there is much support for this program from both parties of the Congress but that the major debate is in the timing of its passage. We recommend passage of this legisla-

tion without amendment so that it may become law prior to May 21.

Respectfully,

GLEN L. BAYNE,
President.

Mr. AIKEN obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from Vermont yield, if it is understood that in yielding for this purpose, he will not lose the floor? I wish to suggest the absence of a quorum.

Mr. AIKEN. Very well; I yield.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. AIKEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. AIKEN. Mr. President, I had planned to review the efforts of the New Frontier in the field of agriculture over the past 2½ years and also to estimate the results which have been attained. I have decided to condense that review into one sentence, to the effect that the efforts of the New Frontier have been misguided and the results are not good. It may be that later in the debate I shall review what has happened to dairying, cotton, and other agricultural commodities.

The emergency feed grain bill which we are considering today, or an extension of it, as it is called, would not by itself be disastrous. It might inconvenience many of us, but it would not wreck the country if the bill were enacted into law and put into effect.

However, we have no surplus feed grain. We have not over 3 to 5 months' supply of feed grains above that which we absolutely must have to feed our livestock and poultry. I do not call that a surplus.

Furthermore, Secretary Freeman has indicated that he may not use the authority at all even if it is granted by the Congress, but he would love to have it.

As I understand, the purport of the bill is primarily to increase prices of feed grains and to pay the feed grain grower for not planting as much as he otherwise might plant. That, of course, might enable the feed grain grower to break even. It would not be so good for the dairyman, the poultry raiser, the beef producer or the hog feeder.

We are already feeling the effects of the Secretary's misguided efforts in the soybean area, in that today dairymen must pay about \$15 a ton more for soybean meal to make up the loss which the processors must take on soybean oil. That is not very satisfactory.

If we should reduce the supply and raise the cost of production, the natural effect would be to raise consumer prices. Someone must pay the cost. If the natural effect should ensue, the prices of milk and all animal and poultry products—eggs, pork, and so forth—would be increased and inevitably would be passed on to the consumers.

We have been very good to the consumers. Perhaps the time has come

when we should carry out the Department's programs and increase the cost to the consumers.

For example, in the Eastern States today, about 75 percent of our extension calls are made on nonfarm people. I am advised that 75 percent of the requests made of the Department of Agriculture for bulletins come from nonfarm people. We farmers pay all the costs of food inspections. It is possible that the time has come when the consumer should expect to pay a higher percentage of his or her income for food. However, the administration states it does not intend to let the natural effect take place, and plans to use tax money, as it would be authorized to do, to hold up prices to the producer, and possibly to hold down consumer costs.

Tax money is not picked out of the air—not yet, anyway. We may come to that, if the national debt continues to rise and prices keep going up. We may have to pick it out of the air, off the printing presses, or obtain it somewhere else. But that time has not yet arrived, thank heaven. The result of using tax money to hold up farm prices or hold down consumer costs would inevitably mean higher taxes, a higher debt, and smaller dollars.

The feed grain extension bill should be considered for what it really is. It is one phase of the general, worldwide plan which has far-reaching implications in world affairs. The administration is very insistent that we enact the proposed legislation this week. On the face of it that does not make sense, because in other years we have enacted feed grain legislation very much later in the year and without any criticism on the part of the administration. But now the administration states that it must have it now. Of course, we know that it desires to increase the power of Government which would be granted under the bill. It wishes to control the food supply of the country, because if the food supply were controlled, many more people and farmers would be controlled. The administration desires to control production. That is the ostensible purpose of the bill. It also desires to control marketing, both domestic and export.

It now comes forward with another reason for wanting the legislation enacted this week. That is the impending vote on the wheat referendum which is scheduled to take place on the 21st of this month. That sounds all right, but the passage of the bill would not affect 300 votes in the whole country on the wheat referendum.

A great many of the votes cast will be cast on an emotional basis. Mixed in those emotions will be everything from Laos to Cuba, including everything else that may come to mind. So I do not believe the impending vote on the wheat program is the real reason why the administration desires the passage of the bill right now. It is true that the bill would permit the planting of wheat on feed grain acres, which is contemplated as bait to influence farmers to vote favorably on the wheat program. But I think most farmers know that if they plant the wheat on the feed grain acres,

they will only get the feed grain price for it. It can only come into competition with the other feed grains.

In my opinion, the primary reason why the administration desires the legislation passed and signed this week is to indicate our intention to promote the Common Market policy and the purpose of getting the United Kingdom into the Common Market. Despite Secretary Freeman's protestations objecting to the exclusion of American poultry from German markets and high tariffs being imposed on American farm commodities by other European countries, it is now apparent that we are going to give up the agricultural market in Europe in respect to many commodities. Europe wants us to give up not only the European market itself, but they desire us to give up other markets in the world so that countries other than the United States can take over those markets. The United States can produce many farm commodities at a much lower cost than can the European countries. We can produce wheat at not over a third of the cost of producing it in Belgium, Germany, or France. But when we sell that commodity at a fair world market price, it is called dumping. They call it dumping, because while we can make a profit on the sales price, they cannot do so. For that reason they have support prices running up to \$3 or more per bushel for wheat in other countries.

They want us to get out of their market, to let them have it, so that they can put the price up to \$3 a bushel for the European consumers; and they cannot do that until they get us out of the market.

Why is all this monkey-shining going on to get the United Kingdom into the Common Market? I think it would be a good idea to have the United Kingdom in the Common Market. Eventually, if there is to be a Common Market of value, there must be many more countries than the United Kingdom and six countries of Western Europe in it.

The answer to this question is that the administration and certain classes of international investors are insisting upon Britain's entry into the Common Market. As an example, I point out that, of the Common Market countries, I think there are six or more—France would have control over most of the petroleum produced in all the countries. This fact was brought out in a colloquy which I had with Christian Herter when he came before the Committee on Foreign Relations for approval of his nomination on January 22 of this year.

The following colloquy occurred:

Senator AIKEN. Which is the principal power or potential power of petroleum among the Western European countries?

Mr. HERTER. I am not sure that I can answer that question offhand. The British, of course, have had an interest in the Middle East for a great many years.

Senator AIKEN. But they are not in the Common Market.

Mr. HERTER. They are not in the Common Market at the present time.

The development of the Sahara oil—and the Libyan oil, the Sahara oil is essentially French, Algerian.

Senator AIKEN. That is right. Now to go ahead.

If the Common Market countries of Western Europe have their own trade alliance there, France would be the principal supplier of petroleum, which would have a decided advantage to her; isn't that so?

Mr. HERTER. She would have an advantage there if there were restrictions placed on other imports.

Senator AIKEN. But if the United Kingdom became a member of the Common Market then, France would lose that advantage; is that correct?

Mr. HERTER. I think quite possibly.

Senator AIKEN. Aren't American petroleum interests considerably interested in the Middle East oil production along with Great Britain?

Mr. HERTER. I think they are, very much so.

After he said that, I asked the Department of Commerce to tell me to what extent American petroleum interests are interested in the Middle East. They gave me the answer that the direct American investment in the Near East petroleum industry, at the end of 1961, according to the latest officially published figures, was \$1,191 million. Net capital outflow in 1961 on the investment was \$104 million. American earnings during 1961 were \$745 million. American income during 1961—earnings, plus dividends, plus interest, minus undistributed profits, minus withheld taxes on dividends—was \$755 million.

I agree that that amount of income is worth looking after. But so long as France would have the inside track on Common Market sales of petroleum, the Middle East would not stand a very good chance of coming in, materially. Therefore it would appear necessary to have some deal or arrangement made with France before the Middle East oil, which is about half owned by American companies, could share in the Western European market.

France also is the principal agricultural producer of Western Europe. France also wants to get her ex-African colonies into the Common Market. If a deal could be made with France whereby in return for giving the agricultural markets to France and her ex-African colonies there could be a United Kingdom entrance into the Common Market, then that would be very profitable for some segments of our economy. However, if Britain comes into the Common Market and Western Europe—primarily France—takes over the agricultural market, the Commonwealth countries which now have a preference in the United Kingdom market would lose such preference. Among these would be New Zealand, Australia, and Canada. Those countries then would have to look for other markets for their wheat, meat, and dairy products. The United States and the U.S.-supplied markets are logical places to look for a market in the event they are virtually excluded from the British market. I believe that they have already made overtures to U.S. officials, looking to the increased shipment of livestock products into the United States. In fact, we are already seeing some evidences that administratively this Government has permitted greatly increased imports of meats—40 percent more than a year ago—and a 100 percent increase in cream shipments from New Zealand

to the United States in the past year. This would indicate that the administration might be getting into a position so that it would not be such a shock to transfer the markets, or to admit the Commonwealth products into this country all at one time.

Why is there such a hurry to have the proposed legislation passed? Mr. Herter is in France or Switzerland today. He is meeting with representatives of the Common Market this week.

If American agriculture is to be used for bargaining purposes, then the passage of the bill and a favorable vote on the wheat referendum are essential to his success in using American agricultural exports for bargaining purposes. The Common Market countries, as we read in the press, are already suspicious of us. They seem to feel that the President or his appointees may not have the authority to trade off American agricultural markets. They are already threatening, as I read in the papers yesterday, exclusion of imports from the United States unless there is a "yes" vote on the wheat referendum, which will take place on May 21.

The administration wants the bill passed and a "yes" vote on the wheat referendum to show the European countries that it can deliver U.S. agricultural markets in the event that any trade requiring such delivery is made.

If Western Europe gets the agricultural markets, and France gets her ex-African colonies included, one way or the other, in the Common Market, we will lose not only our wheat market but also our tobacco market. Our poultry market is almost gone now. We have lost over half of the cotton in export trade in the past 2 years.

The question is, in voting on the bill, Shall we give up our agricultural export business in order to maintain and expand the market for other commodities in the world trading orbit?

Mr. President, as I said before, I may desire to speak later as to the failure of the New Frontier to tell what it has done to dairying, what it has done to the soybean industry, what it has done to the cotton industry, what it has done to the meat industry, and other things.

The fact is that, as I said in the first place, these efforts have been misguided. The results have been almost disastrous.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. CARLSON. I commend the distinguished Senator from Vermont for his timely warning to agriculture in this Nation of the threat which is confronting it as we deal with the Common Market agreement. I think there is grave danger of American agriculture's being traded down the river. If our representatives and leaders do not insist that agriculture be protected, and that preference not be given to industrial trade, I am confident that we shall be in difficulty in future years. So I commend the Senator from Vermont for calling this problem to the attention of the Senate.

I was interested in his comment about France and her agriculture production.

I think everyone realizes that, from the standpoint of agriculture, France is the most important country in Europe. I was advised that production in France is only about 25 percent of what it could be if France used mechanization and more fertilizer. So we are confronted with a very serious situation in agriculture by threats from the Common Market.

Mr. AIKEN. I thank the Senator. There is no question that Western European countries, particularly France, are not only anxious to get our agricultural export business to Western Europe. That would be bad enough, but when they want to get our export business to the rest of the world, that is going too far. We must stand up and fight. I would be just as happy if Mr. Herter did not have satisfactory assurance that he could use American agriculture as a pawn in dealing with other countries.

Mr. CARLSON. Mr. President, as the Senate considers H.R. 4997, the Feed Grain Act of 1963, we are again reminded that agriculture's performance in recent postwar years is most impressive.

We are fortunate in this Nation to have a farm efficiency that has increased more rapidly even than industrial efficiency.

In the past 10 years the average annual increase in output per man-hour on farms was three times the rate of increase in nonfarm activities. Also in 1948-53, the most recent 5-year period for which data are available, total factor productivity was increasing at a rate more than 50 percent faster in the farm than in the nonfarm sector.

Employment in the agricultural labor force has declined by one-third—or about 2.8 million during this period—releasing sufficient workers to account for one-fourth of the growth in civilian non-agricultural employment. Only Sweden has equaled the United States in the rate of decrease in the farm labor force in recent years.

Farm output per unit of all resources used in production increased by more than 30 percent in the postwar period.

Farm tenancy declined moderately during this period, and farm consolidations led to a decrease of more than 2 million—or 35 percent—in the number of farms between 1947 and 1961.

About 80 percent of all farms, averaging a third larger than in 1947, are operated by owners or part owners today. Owner-operated farms, as a percentage of all farms enumerated, are now at a record high.

Not only did farm output increase by one-third in the 1947-61 period, but meat animal and other livestock products increased by a similar percentage. Per capita consumption of red and poultry meats increased by 29 pounds, or 17 percent.

Per capita production and consumption of frozen fruits and vegetables tripled during this period. In addition to supplying domestic consumers with increasing per capita supplies of meats, poultry, and fresh frozen fruits and vegetables, both commercial and non-

commercial exports of food and fibers also were increased.

That is truly a performance that agriculture can well be proud of and is most important in our Nation's economy.

Even with this record of achievement in agriculture, we must continue an expansion of our programs of science and research.

On April 11 of this year, Dr. C. Pears Wilson, director, Kansas Agricultural Experiment Station, speaking to the Farm Equipment Institute Conference at Manhattan, Kans., discussed the need for changes in our agricultural research.

It seems to me that this is a most appropriate topic for consideration as we debate the 1963 feed grain bill.

I ask unanimous consent that Dr. Wilson's speech be made a part of these remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CHANGING NEEDS IN AGRICULTURAL RESEARCH¹

(By C. Pears Wilson, Director, Kansas Agricultural Experiment Station)

When one looks at the facts about the productivity of American agriculture over the past century, he cannot deny that it is one of the most outstanding, if not miraculous, achievements of all time.

Since 1920 man-hours in farming have decreased 54 percent but total output has increased 52 percent. Output per man-hour has increased 250 percent. Man-hours per acre of wheat have decreased 66 percent and, since yields per acre have increased, man-hours per 100 bushels of wheat have decreased 80 percent. Man-hours per acre of corn have decreased 70 percent, but man-hours per 100 bushels of corn have decreased 82 percent. At no other stage in history has agriculture made so rapid a change; in no other nation in the world has agriculture made such progress; no other major industry in America has made so great an increase in efficiency.

Nearly all competent analysts conclude that this has been brought about principally by a combination of excellent natural resources, a stable political system, a free enterprise economy and along period of application of science and technology to the problems of agriculture of which your industry has been a very important part.

Dr. T. W. Shultz of the University of Chicago points out that the lower limit of return on public and private investment in agricultural research is 35 percent and the upper limit is 171 percent. Pick any point in that range and the yield on investment is amazing.

Jesse W. Tapp, chairman of the Board of the Bank of America, says: "Although in actual dollars it doesn't bulk very large, relative to the cost of other factors, the most significant inputs that were made in American agriculture, I believe, are those spent in the U.S. Department of Agriculture and the land-grant college system, and their subsequent programs of research and education. In few, if any, other ventures has the marginal productivity been so great."

In spite of this record, of which we can all be justly proud, agricultural research is not expanding to any marked degree. Increases in funds for agricultural research have come at so slow a rate in recent years as to barely keep ahead of the increasing

costs of doing research. But research budgets for other types of research are increasing by leaps and bounds. The National Science Foundation, strongly supporting the basic sciences and engineering but with only a pittance for biological sciences and virtually nothing for projects identified with agriculture, expanded rapidly during the 1950's. The National Institutes of Health, with heavy emphasis on medical research, annually receive more from Congress than they request and have difficulty in using all their funds wisely. The National Aeronautics and Space Administration now counts its research and development funds in billions instead of millions. This is not to belittle research in other fields but to raise the question of why agricultural research is not expanding.

Why haven't our budgets in agricultural research grown as rapidly as in other areas? I can assure you it is not because we have run out of problems to research upon. It is perhaps in part because we have done a very good job. We have made it possible to produce a superabundance of food. A casual observer would wonder why we should learn how to produce more food when we already have surpluses. He would wonder why we should reduce manpower needs on farms when we already have unemployment and there appears to be no place for that released manpower to go.

We need to break a logjam in agriculture. Farmers readily accept the results of research which shows how to produce two bushels of wheat or corn where only one grew before. Farmers readily accept the possibility of using 1 man and a machine to handle 640 acres when it took 2 men and 2 machines to handle 640 acres before. But when you add up all the two bushels where one grew before, or add up all the jobs lost because we have developed new technology, we run into real problems: Surpluses of farm products and reduced employment of farm people. What I am saying is that we have too long ignored the impact of technology on people.

Dr. H. C. Knoblauch of the Cooperative State Experiment Stations Service, says it in a more sophisticated fashion: "The technological advances have put tremendous stress on social and political institutions and organizations in the country. More and more the need for social scientists and their results of research has become apparent. This is because it has been necessary to modify the social institutions and their functioning in domestic relationships so that the product of the dynamic technological advances in agriculture could continue to reward adequately those in agriculture for their endeavor and provide all society with the abundance of products which flow from them."

I would say that one of the changing needs in agricultural research is for much greater emphasis on the application of social sciences to agriculture. This includes marketing, foreign trade, economic policy, land economics, farm management, political science, and sociology. We need to know more about the economic, social, and political relationships within agriculture. We need to know much more about the relationships between agriculture and the urban-industrial society. We need to know much more about relationships involved in interregional and international trade. This is not easy and the road is well booby-trapped. Research and education on things in agriculture—soils, plants, animals, machines—is noncontroversial. Research on people and their institutions and organizations is another matter. Protected markets, prices, property rights, trade territories, organizations, offices, positions, beliefs, values and the like are controversial. But let's face it. We can't have our cake

and eat it too. We can't take the advantages of science and technology and ignore the disadvantages. We can't embrace the benefits and hope the problems will go away because they won't. Perhaps we should ask ourselves not, "Where is science and technology taking us," but, "Where are we going to take science and technology." Science and technology are the tools of man—not the masters. How can we use science and technology for the benefit of mankind?

The Reverend Theodore M. Hesburgh, president of Notre Dame University and a member of the National Science Board which is responsible to the President of the United States for operation of the National Science Foundation said in an article in the Saturday Review entitled "Science Is Amoral; Need Scientists Be Amoral, Too?"

"No one can deny that science and technology are the greatest and most impelling forces in 20th century culture. Just look at what they have accomplished for this Nation which has totally espoused them. We are better fed, better housed, better clothed, better medicated, longer lived than any people in the history of mankind. We have better communications, better transportation, and more electrical energy than any nation on earth. We are indeed the affluent society, almost overwhelmed by every convenience and gadget, envied and emulated by every other society that may condemn us at one moment and imitate us the next.

"How well are science and technology being used by man and for man? Page through and newspaper or magazine, listen to our radio and look at our television programs. What image do these give of the production of the white coated scientists and engineers?

"To a hungry world we give the image of stored surpluses, better dog food, more esoteric dishes, how to eat more and still lose weight, how to have more appetite and then alleviate the effects of overeating, how to stimulate and then sedate. Better soap, better deodorants, better beer, better cigarettes, better heating and cooling, better barbiturates, better cars, better chewing gums: these seem to be the ultimate blessings that science and technology have afforded us, the highly visible trappings of our American society, the most widely advertised contributions of science and technology to modern day Americans and to the world.

"What really has impact on the earth's peoples outside of America is that thanks to science and technology—we are wealthy while they are poor, we are healthy while they are diseased, we live in palaces compared to their shacks, we are well fed while they are hungry, we are educated while they are ignorant, we have the good life while they have only frustrated hopes. We may think to win them by the dazzling performance of putting men in space, but this is meager inspiration to people living in the swamps of poverty, ignorance, and disease, below the arching orbits.

"But, we can, if we really believe in freedom and human dignity, help create in our day a new condition of mankind, a situation in which human freedom and dignity are at least possible. Never before in history has this been possible. The vast majority of mankind has ever been hungry, diseased, ignorant, poor and badly housed. The great glory of science and technology in our day is that it provides the means of relieving this ancient human bondage, these cruel forms of universal human slavery.

"Will science and technology in our day be dedicated to this great and noble work of human liberation?

"We all admit the impact of the scientific and technological revolution. But we have yet to witness the revolution of scientists and engineers.

¹ Address, Farm Equipment Institute Conference, Kansas State University, Manhattan, April 11, 1963.

"Suppose that our scientists and engineers really decided to make an assault on hunger: by developing both good and arid lands abroad and organizing large scale agriculture around the world as we have in this country where 5 to 10 percent of the population feed all the rest of the people and develop huge surpluses. We have proved that it can be done, but we have been satisfied to do it mainly for ourselves. If scientists and engineers put their talents to work do you believe that there would be 900 million illiterates in this world, with all the riches of human culture closed to them?

"Someone may remark at this point: 'But we are spending billions for foreign aid.' Yes, about \$4 billion annually, to be exact. But again, about half of this is military aid, and the \$2 billion that are left seem hardly sacrificial when you compare it to the \$6 billion we spend annually for tobacco, the \$12 billion for alcohol, the \$20 billion for that ancient pastime called gambling.

"We cannot overlook that there are only 80 engineers backing up our multibillion Agency for International Development, as against 8,000 or 9,000 in our Space Agency. We cannot overlook that the total 78-nation budget for the International Atomic Energy Agency—the atoms for peace program—is less than the cost of a single rocket shot at the Moon last October. To produce one nuclear submarine we spend more than our total annual budget for agricultural research and this, in a world of hunger.

"Science and engineering, in our times are anything but mediocre. Why then should the scientist and engineer allow them to be used for mediocre ends and to hide himself in the mass?

"Why should we pioneer in space and be timid on earth? Why should we break the bonds of earth and leave men in bondage below?

"Unless a true revolution occurs, future generations of historians may ask why our scientists and engineers did not really join the human race in our times when the opportunities were so great, the means at hand so magnificent."

This is certainly a strong endorsement for agricultural research from a nonagriculturalist. Certainly agricultural research has contributed greatly to human welfare and has much more to contribute if we can overcome the impediments to making use of the products of agricultural technology. It does little good to grow an abundance of agricultural produce then storing it instead of using it or to release manpower from the farm if the released manpower cannot be used constructively in producing other goods and services. We must break through the barriers between the abundance of food and the hungry people of the world; between manpower released from farming and gainful employment in other vocations and locations. These problems should be amenable to the research of social scientists if we will give them the resources and accept the results of the research as readily as we do the results of the research of the physical and biological scientists. It is my opinion that once these barriers are broken, agricultural research in the physical, biological and engineering sciences will receive increased support and will grow and develop.

In the meantime we may well be operating within rather limited resources. This will call for very careful evaluation of research programs, reducing or eliminating low priority work and reallocating limited research resources among high priority problems. It is my opinion that we must maintain and even increase the potential for increased production even though we may not use all that potential immediately. We must conserve our natural resources. Among our natural resources, I include soil, water, forest, grass, and wildlife resources. High on

the priority list is water resources which, as a Nation, we have too long considered of low priority. Water is primarily an agricultural resource. True, cities and factories need water. They also need food but that does not make food an urban resource. Most of the water of the Nation falls as precipitation on agricultural land or is subsurface water under agricultural land. Two-thirds of the precipitation in Kansas is lost through evaporation from the soil. One-fourth is used through plant transpiration. Less than one-tenth runs off by streams. Yet, when we speak of water resources most people think of stream water either flowing or impounded behind dams. If we were to reduce evaporation from soil and transpiration by plants by 10 percent, we would conserve for beneficial use more water than the entire current stream outflow from the State. Any effort to separate water conservation from soil conservation will be detrimental to both soil and water conservation. Wildlife, forest, and grass conservation are all closely interrelated and in turn are related to soil and water conservation. Major attention needs to be given to conservation research.

Someone has said that the three major concerns to mankind are (or ought to be) bombs, bulldozers, and babies. These three words are symbols of broader problems. Bombs, in addition to the direct threat to man's existence, represent the threat of contamination—contamination from fallout, contamination from chemicals, contamination from wastes. Bulldozers, or rather the way in which they are used, represent a threat to the natural beauty of the landscape as they lay waste to trees, grass, flowers, wildlife, and the natural contours of the countryside in making way for highways, airports, building sites, and the like. Babies suggest the population explosion, not only within the United States but throughout the world. The pressure of population against resources, if the population grows too fast, could mean lower standards of living for all. A world with too large a proportion of the population now undernourished, illiterate, swamped in poverty, disease ridden and frustrated, must prepare for a very rapid population growth, particularly in those areas of the globe that already have the problems.

No, we have not run out of problems to solve and agricultural research has much to contribute. The record will show that agricultural research can solve problems. It will take the best thinking of all of us to delineate the high priority problems and go to work on them.

Mr. JAVITS. Mr. President, I shall be opposed to the pending bill. I have heard with the deepest interest the views expressed by my learned and distinguished colleague in the Senate in the field of agriculture, the Senator from Vermont [Mr. AIKEN].

Mr. President, we must constantly test these farm programs, in view of the fact that the money is being spent to the tune of billions of dollars a year, in the light of whether they really are helping our farm community. Let us remember that New York State is one of the Nation's leading producers of milk and cheese. Therefore, I represent a State which has a burning interest in agriculture.

First, we must consider the farmer. Then we must consider the consumer, and mainly the city consumer, because 70 percent of our consumers now reside in urban areas. Then, we must consider, though not in this order of priority, because they are all entitled to equal consideration, the taxpayer, who is un-

derwriting all our efforts to stabilize the farm situation. We must consider the advancing technology in the field of agriculture which has stimulated greater production. Finally, we must consider the progress of research and development in the agricultural field, with the object of developing new techniques and outlets for the distribution of our farm surpluses.

Tested by all these standards, it is my belief that the pending bill is not going in the right direction, but in the wrong direction. Laying aside the charge of coercion that has been made with respect to the Secretary of Agriculture and the statements made that if no legislation is passed prior to the May 21 wheat referendum and the farmers vote "no" on the referendum, they will get no legislation passed this year, and speaking solely about the present bill, it seems to me that if we were going in the right direction I would not care about the influence of passage of this legislation on the wheat referendum. But I deeply feel that we are still attempting to go in the wrong direction, running against the current, and, instead of dealing with surpluses, with the efficiency of the farmer, with obsolescence and advances in technology in farm production, we have approached the problem by attempting to impose limitations on production, which have the effect, in my view, of raising prices materially for the consumer. Such increased prices further adversely affect our ability to compete in the rest of the world. And the present policy also contributes to a reduction of the total output of food which we could utilize with effectiveness in the food for peace program and similar programs.

I have always been greatly impressed by the position of the Senator from Vermont [Mr. AIKEN] and of others, that although we have large surpluses, when we consider the mutability of nature and the vast responsibilities we have in the world and our existing capacity to meet these responsibilities, one cannot come to the conclusion that we have inordinate surpluses.

I have always said, and I say again—and I deeply feel that this represents the prevailing view in my State—that we would pay even the enormous bill which is involved in aid to American agriculture, if we had our feet moving in the right direction. The present plan does not assist us in movement in the right direction. It merely provides for a limitation of supplies, and at the same time place a very high cost on the development and maintenance of the surpluses which are created. Such a policy imposes a double tax on American consumers.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. ELLENDER. Does the Senator feel the same way about the dairy program? New York dairy producers get a price support of 75 to 90 percent. The cost to the taxpayer last year was around \$500 million, and the year before that it was \$630 million.

Mr. JAVITS. I say to my friend from Louisiana that with respect to the dairy farmers in my State, certainly they would be glad to do without any high fixed price support dairy program provided that the milk marketing orders were adequately and properly maintained.

Mr. ELLENDER. The Senator from New York will have an opportunity to vote on that question, because our committee is considering the dairy bill with the view of trying to save the taxpayers from the enormous subsidy paid to maintain support for the milk producers.

Mr. JAVITS. I have voted on it before exactly in accordance with the principle that I have been stating.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. AIKEN. Whenever we have had a war, we have encouraged overproduction of food, to be on the safe side. We did it with respect to dairy products as well as other products.

At the end of the Korean war we found ourselves with surpluses of about 1 billion pounds of butter and cheese owned by the Federal Government. We started to work that off. A good deal of it went into relief. On April 1, 1961, the Commodity Credit Corporation did not own 1 pound of butter or 1 pound of cheese.

I believe I am literally correct. At least I am approximately correct.

The Secretary of Agriculture then came forward with a new program. He could not let well enough alone. We had got ourselves in a position where production and consumption were in balance, with the exception of powdered skim milk. We will always have surpluses of powdered skim milk, as we produce enough fresh milk and cream to supply the regular market. The production is not always at the same level. On April 1, 1961, the Secretary of Agriculture raised the support price for manufacturing milk to \$3.40 a 100 pounds. It was about \$3.23 at that time. This encouraged overproduction in manufacturing areas.

That was one thing that happened to us.

Then the Secretary and the President asked for controls over dairy production, even though production was in balance with consumption at the time. This naturally worried every first-grade producer in the country. They milked their cows a little longer, and they fed them more grain, and they overproduced; so if the New Frontier got its way and they were cut down 20 percent in the amount they were permitted to produce, they would still have production at a level which would enable them to live and support their families.

There was another factor responsible for the increase in production that year—and the Secretary was not to blame for this one: That was the perfect producing weather from the Atlantic to the Pacific. The upshot was that all these things happening, the Department of Agriculture, in accordance with the laws enacted by Congress, had to buy large quantities of cheese and butter. The

Department continued to buy cheese and butter until it acquired almost 400 million pounds of butter. In May of 1962, Congress said, "Absolutely nothing doing, so far as Government controls and allocations of production to dairymen are concerned." Then the situation began to improve. In about 2 months, production began to drop below what it had been in the previous year.

But the Department still hangs on to its 360 million pounds of butter. There are two reasons for this. First, the 360 million pounds of butter hangs like a cloud or a sword over the head of the dairyman. It certainly hangs as a depressant over the price which the dairyman receives. The Department apparently is so wedded to that 360 million pounds of butter that it will do almost anything rather than to part with any of it.

But there is another reason for the Department's hanging onto the butter. It should be noted that at the time the Secretary raised the support price for manufacturing milk, he also raised the support price for soybeans from \$1.82 a bushel to \$2.30 a bushel, and then encouraged farmers to raise soybeans. The grain program was cut, and farmers were encouraged to put into soybeans the land they had taken out of grain production. As a result, in the last 2 years there has been a production of approximately 700 million bushels of soybeans.

As I mentioned earlier today, soybeans have to be processed. We export a reasonable amount of soybeans, and the export market is a good one. More soybeans could have been produced to good advantage. But the result was that there was a little overproduction.

The price of soybean oil dropped from about 13 cents a pound to a little more than 8 cents a pound. The price is now up to about 9 or 9¼ cents a pound. Soybean oil is running out of our ears. Soybean oil is running into the Mississippi River. I understand that thousands of ducks tried to swim on the oil but sank; they could not swim.

But the Secretary did not miss any opportunity to dispose of soybean oil anywhere on earth that soybean oil would be taken. Even the maple sirup producers of New York and Vermont complained about the soybean oil business. In Brooklyn, where a company was manufacturing maple sirup cans, the soybean oil producers bought all the sirup cans and shipped soybean oil in them to be given away. The upshot was that the Department of Agriculture disposed of about 500 million pounds of oil last year by giving it to welfare organizations like Catholic charities, CARE, and others. Those organizations did a good job with their distribution.

Unfortunately, this action made it a little more difficult for 58-cents-a-pound butter to compete with 8-cents-a-pound soybean oil. That action did not help the dairyman in any way.

Unfortunately, too, the soybean producers, finding that they were not doing so well on oil, jumped the price of soy meal to \$15 a ton. That action did not help the dairymen or the beef producers, either. So the trouble in which the

dairyman finds himself is largely due to the unfortunate experiment which the Secretary of Agriculture made in soybeans. It ties into the feed grain program. All these activities tie together.

I believe that in March or April the parity price of all farm commodities—I do not think much of parity as a yardstick, but so long as the Department insists on using it, we shall have to use it—hit a new low for the last 26 years. I ask the Senator from Iowa if that is not a correct statement.

Mr. HICKENLOOPER. A new low since 1931, I believe.

Mr. AIKEN. This is the trouble: The Secretary still insists that he will control the milk production of this country. I am afraid that he will increase production again, so long as he holds to that view. I know that milk production has not dropped in Vermont; and production has risen in New York, Pennsylvania, and New Jersey. A dairyman came into my office 6 weeks ago and gave the real reason. He is a dairyman who milks perhaps 100 cows. He said, "We are milking 25 cows more than we ought to milk. We do not want to milk them; we cannot afford to milk them; but we cannot afford not to milk them so long as we are constantly threatened with the quota program that the administration is so insistent upon."

So if the Department would only forget its inordinate desire to control the dairyman and let him operate his own business, we would find that it would not be more than 1 year before the milk situation in this country would be infinitely better than it is today.

I do not know what the Secretary will do with 360 million pounds of butter. He must sleep with it at night, he thinks so much of it. The butter could be sent to Cuba; but the trouble is that a month ago, when we could have sent 20 million pounds of butter to Cuba, the Government sent more soybean oil to Cuba to keep the Russians happy. I understand the Russians brought their own caviar and vodka; but, otherwise, I think we are treating them pretty well.

Mr. HICKENLOOPER. Mr. President, will the Senator from New York yield that I may comment on the statement of the Senator from Vermont?

Mr. JAVITS. I yield for that purpose.

Mr. HICKENLOOPER. I suggest that the Secretary is probably using a lot of butter to grease the skids for the passage of the bill—which may be a far-fetched situation.

So far as the soybean situation is concerned, the Senator from Vermont probably recalls that soybeans were taking care of themselves, not only in the world market but in the domestic market as well, until this administration, through the philosophy of Dr. Cochrane, followed by Mr. Freeman, started to monkey with the situation and increased support prices. As they were told at that time, we now have soybean troubles. If they did it, they did it in spite of what they were told, and now we have soybean troubles, with soy oil running out of our ears.

Mr. AIKEN. Soybeans were selling for \$2.60 a bushel at the time support

prices were raised from \$1.85 to \$2.80; and that price is somewhat less than it was before the noble experiment began.

Mr. HICKENLOOPER. It is my impression that the price was \$2.34.

Mr. AIKEN. I know the price was \$2.60 at the time, and no time was lost in sending the prices down.

Mr. HICKENLOOPER. We have a huge surplus of soybeans and soy oil as a result of bureaucratic manipulation.

Mr. AIKEN. We have so much soybean oil that it is necessary to maintain the flow of the Mississippi River with it. I think there should not be so much mixing of oil with water; the ducks ought to be given a chance to swim on the water.

Mr. JAVITS. I thank the Senator from Vermont for his very informed judgment about the dairy situation. May I ask him a question with respect to dairymen? Does the Senator feel that if the bill passes, it will result in increased costs of feed grain to the dairymen?

Mr. AIKEN. That is the purpose of the bill; there is no question about it.

Mr. JAVITS. In 1962, Congress passed the wheat program. As the Senator will remember, the wheat program allowed a diversion of a certain number of wheat acres to feed grain acreage. Is the practical effect of the pending measure to add to that program price protection and compensatory payments for feed grains which were not actually included in the wheat program?

Mr. AIKEN. That is my understanding. The bill provides authority for the wheat grower to plant in feed grains his acres which are taken out of wheat. In fact, the Secretary gave the committee a couple of examples, showing that the proposed legislation would not necessarily reduce the acreage applicable to wheat at all, except that only a certain percentage of it could be sold for the export market or for milling; the rest would have to be sold as feed. I think that program lends itself to a little "getting around," if the Senator from New York understands what I mean.

Mr. JAVITS. Yes.

As I understand the views of those who live in the cities—and I also emphasize that I likewise represent the views of many farmers who are engaged in dairying—the people are perfectly willing to have funds spent for such programs, but they want to have us proceed in such a way that a rational supply and demand situation will be developed in connection with agricultural matters. So I do not believe the city dwellers will object to such a program.

The Senator from Vermont spoke of the possibility of a price increase. However, I do not think the city dwellers would object to that, either. I think they would recognize that the price of this commodity, as in the case of any other commodity they purchase, would be responsive to the operation of the laws of economics, and that the farmers must be responsive to the adjustments which occur in the world—as the farmers were during the war, when they increased agricultural production in the national interest.

But it seems to me that now, 18 years after the end of World War II, it is up

to the people of States which have large urban populations, as well as the people of States in which there are distributors in addition to farmers and city dwellers, to oppose these programs, in the hope that the opposition will mount and will increase to the point where we can end essentially governmental operation of the agricultural system, as well as the agricultural price system.

—It is for that reason that I have consistently taken the attitude which I have taken in regard to these matters, and which I take today.

Mr. AIKEN. I understand the position of the Senator from New York; but I do not think the city people yet understand what is happening to them and what will happen to them. These bills, when added together, amount to an attempt to control the food supply of the Nation. I do not think any government which has succeeded in obtaining absolute control of food production and distribution has had to worry thereafter about surpluses. So I think it well to have some surplus available.

Mr. JAVITS. Mr. President, I appreciate the Senator's position and his leadership. He has always been my leader in connection with agricultural matters; and in addressing myself to this matter today, I want him to understand how I feel about his leadership in connection with agricultural problems.

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. HOLLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I am about to propound a unanimous-consent request. I have discussed this matter with the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN]; with the very able chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER]; with the senior Senator from Iowa [Mr. HICKENLOOPER]; with the ranking minority member of the Committee on Agriculture and Forestry, the senior Senator from Vermont [Mr. AIKEN]; and with other Senators. It seems to me to meet with their general approval.

Therefore, Mr. President, I ask unanimous consent that at the conclusion of the morning hour on Wednesday next, 1 hour be allotted for each amendment—in other words, 30 minutes to a side—and that the final vote on the pending legislation be taken at 4 p.m. on Thursday afternoon, next.

The PRESIDING OFFICER. First, does the Senator from Montana ask unanimous consent to dispense with the rule requirement for a quorum call prior to the entering of a unanimous-consent agreement?

Mr. MANSFIELD. Yes.

The PRESIDING OFFICER. Is there objection? Without objection, the requirement for a quorum call will be dispensed with.

The question now is whether there is objection to the proposed unanimous-consent agreement. Is there objection to the proposed unanimous-consent agreement?

Mr. HICKENLOOPER. Mr. President, reserving the right to object, I wish to refer to a matter which I did not mention a moment ago when I was discussing this subject with the minority leader. It is completely my fault that I did not mention it to him then. I point out that there are about three amendments which I regard as very important and essential; and, in particular, there is one amendment which I would not like to have made subject to a limitation of 1 hour, or 30 minutes to a side. I should like to have 45 minutes to a side allowed in connection with that amendment. It is the one which refers to the maintenance of the 18-cent production payment ceiling, as contained in the present bill.

Mr. MANSFIELD. Would an allowance of 2 hours be sufficient for that amendment?

Mr. HICKENLOOPER. Yes. In fact, I doubt that 2 hours would be used on it. But if 2 hours can be allowed for that one amendment—inasmuch as it is proposed that the limitation commence on Wednesday, following the morning hour—I believe that would be well, for that amendment might require more than 30 minutes to a side.

Mr. MANSFIELD. Mr. President, I modify my request in order to make a special stipulation that 2 hours—or 1 hour to each side—be allowed for the debate on this amendment.

The PRESIDING OFFICER. Is there objection to the request, as modified? Without objection—

Mr. ELLENDER. Mr. President, I understand that will not interfere with having the vote taken not later than 4 o'clock on Thursday.

Mr. MANSFIELD. Yes.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement?

Mr. JAVITS. Mr. President, reserving the right to object, let me ask whether the proposed agreement will apply to any amendments at the desk after the morning hour on Wednesday, regardless of whether the amendments are ruled to be germane?

Mr. MANSFIELD. Mr. President, I hope the Senator from New York will not raise that question in connection with a bill of this nature. I hope all amendments will be germane. This is a very important bill, and we went to a great deal of trouble to try to arrive at an arrangement in connection with it. So I hope the Senator from New York will consider this matter in view of the seriousness involved in the question at hand.

Mr. HOLLAND. Mr. President, reserving the right to object, I add my request to that of the majority leader to the Senator from New York. I have canceled the trip which I was scheduled

to take tomorrow, when I should be present as a host for Senators who attend the Cooper launching; and I have also agreed to the Thursday date—all upon the understanding, of course, that there be the usual requirement that the amendments be germane. So I am trying to be very cooperative, despite the fact that I am very much opposed to the bill.

Therefore, Mr. President, I hope the distinguished Senator from New York will agree not to submit amendments of the sort referred to, and will agree that there be the normal requirement that all amendments be germane, and that non-germane amendments will not be included under the agreement.

Mr. JAVITS. Mr. President, I have no objection to the proposed limitation of time or to the proposed requirement that the vote be taken on Thursday, at 4 o'clock. But I do not wish to be hamstrung as regards the kind of amendments to be offered. All I want is to have the unanimous-consent agreement include a provision—aside from the provisions in regard to the time, which are perfectly acceptable to me—that amendments which are at the desk at the end of the morning hour on Wednesday will be the ones covered by the unanimous-consent agreement.

Mr. HOLLAND. Mr. President, I must object, unless the proposed unanimous-consent agreement includes the usual provision that only amendments which are germane may be considered.

The PRESIDING OFFICER. Objection is heard.

What is the pleasure of the Senate?

Mr. HOLLAND obtained the floor.

Mr. DIRKSEN. Mr. President—

Mr. HOLLAND. Mr. President, I shall be glad to yield to the minority leader.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HOLLAND. I am glad to yield to the majority leader.

OUR NATIONAL PROBLEMS CAN BE SOLVED

Mr. MANSFIELD. Mr. President, one of the unanswered questions of physics is that of determining how much effort is expended in trying to solve the major problems facing America, and how much is expended in proving that those problems cannot be solved at all. Sometimes it seems that far more time and talent is devoted to the negative side of that question. The "nay-sayers" seem to outnumber the "yea-sayers," or at least to outtalk them. The result of this is to make many Americans feel that the problems besetting them can never be remedied, or even ameliorated.

A clear and compelling voice for the affirmative was heard last Saturday evening when the Vice President of the United States spoke to the Political Cartoonists of America. This was the voice of one who believes that our major problems can and should be attacked, and that they may yield to a determined and courageous national effort to solve them. It is a voice that should be heard by all Americans and I therefore ask unanimous consent that his speech may be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY VICE PRESIDENT LYNDON B. JOHNSON BEFORE THE DINNER OF POLITICAL CARTOONISTS OF AMERICA, WASHINGTON, D.C., MAY 11, 1963

I suppose you may think I am appearing here in some kind of disguise—no chaps, no boots, no 10-gallon hat, none of the wardrobe I seem to wear in your works of art.

But I was told this dinner was informal—so I just dressed the way folks do every night at Johnson City.

Your invitation didn't say whether I would be here as an honoree—or as a target. But it is a pleasure to welcome you to Washington, where the pen is mightier than the sword—and the political cartoonist's pen is often the mightiest of all.

Herblock and Jim Berryman and Glib Crockett remind us every day that if a photograph is worth a thousand words, a pointed cartoon is worth ten thousand. So, on the basis of fair exchange, I suppose I should honor you with ten thousand words. But I believe that about a thousand will be sufficient.

Back in college days, one of my favorite writers was Thoreau. One of his injunctions which made a lasting impression on me consisted of two words: "Simplify, simplify."

That could well be your motto. That is your genius.

It ought to be the motto—and the work—of our political leadership, too.

Our times are complex.

Details of many issues are nearly incomprehensible.

But the 4 billion human beings who inhabit this earth want and need—and will respond to—leadership able and willing to do just that: "Simplify, simplify."

The enemies of freedom understand this.

They never forget it.

Communists have their dogmas and dialectics. But when they talk to the masses of humankind they simplify—to terms of milk for the babies, food for the families, shoes for the feet, roofs for the nighttime, jobs for the daytime.

Here at home, in our own country, we don't hear much any more in the way of outright, head-on, old-fashioned opposition to social reform and human progress. Nobody defends child labor as character building. Nobody defends the 72-hour week as a mandate of natural law.

Nobody comes right out and quotes Scripture to tell us the poor we have with us always, so why be bothered?

The words of 1913 and 1933 are gone. But the opposition is not gone.

Today Americans are being told that we cannot meet our human problems at home; that we cannot be masters of our destiny in the world, because we are captives of the complexities of this age.

Eighteen percent of our unemployed are boys and girls under the age of 21; 100,000 of our brightest high-school graduates each year can't afford the cost of continuing on to college; 4 out of 10 of our fifth graders today will never finish high school if present rates of dropouts continue.

But we are told nothing can be done; no cures can even be attempted, because the complexities of international high finance do not permit domestic initiative to conserve the talents and even the lives of our young.

This is only one example.

Go down the list of America's needs, and the answer is always the same: nothing can be done, because we are captives of unseeing, unfeeling, unsympathetic complexities.

We are told the moon is too far away from us, and the Negro is too close to us, for us to do what we can and what we should about either.

We are told small business is too small to save, and big business is too big to bother even when the public interest is at stake.

We are told schoolchildren under 21 are too young to be exposed to Federal aid, and we are told citizens over 65 are too old for the same.

We are told there are no issues.

We are told that if there are problems, we cannot afford to undertake their solution because of the great complexities of our age.

I reject the doctrine of a fragile America. I reject the doctrine of a delicate dollars. I reject the doctrine of a corruptible character among Americans which cannot withstand the responsible service of their Government.

The words we hear today are the words of a new and sophisticated age—but the voice that speaks them is the voice of an age gone by: the voice of those who would have America stand pat and stand still rather than respond to the human needs of our society.

In saying this, my purpose is not partisan. It is exactly the contrary.

In these last 30 to 50 years, the social conscience of America has crossed and criss-crossed party lines. There are few among us—if any at all—who seriously want to undo the gains we have made toward the greater dignity of the individual or the welfare of the whole society.

But my point is this:

Agreed as we are on the kind of life we want all Americans to enjoy, we are failing to serve our own unanimous purpose because some believe we have become captives of the complexities of our age.

We are agreed that we must avoid waste.

We are agreed that we must avoid excesses in our public programs.

We are agreed that we must protect the integrity of the dollar.

We are agreed that we must defend the national security.

The American consensus is strong.

But the domestic American purpose is uncertain.

An oversupply of thumbtacks makes a national scandal.

But our \$30 billion annual loss from underused manpower, our \$15 billion annual loss from discrimination, our \$11 billion annual loss from air pollution run on and on because we are told the solutions would be wasteful—and the costs excessive.

We are told space exploration will undermine the dollar. But we are not told what would happen to the dollar—or to America—if space were defaulted to the Communists.

I do not believe that this generation of Americans is willing to resign itself to going to bed each night by the light of a Communist moon.

We are not captives of complexity.

Freedom is not complicated. Freedom is what every man has when he is born—and spends the rest of his life trying to keep or get back. That is the simplified issue of these times—for as freedom is not complicated, the choices of this age are the most simplified of history.

Mankind has the choice of freedom or slavery, of peace or destruction, of arms control or devastation, of prosperity for all or poverty for all, of cooperation or catastrophe.

Here at home—among Americans themselves—the choices of our times have also been simplified for us.

This time tomorrow there will be 1,000 more 65-year olds than there are today. There are 1 million more 16-years olds tonight than this time last year. The needs of young and old have acquired new dimensions. We cannot in this year of 1963 stand pat on the answers conceived in 1933.

We need—as never before—the fullest use and the highest use of all our resources, material and human.

But plant capacity stands idle; 13 million acres of Dust Bowl lands need to be revege-

tated; 200 million acres of rangeland need to be cleared and planted.

Our rivers still run red, carrying away topsoil, if not detergents.

Twenty-five thousand tons of air pollution settle down upon one city alone—and public health is endangered by this in 6,000 other cities.

There is work to do—great works for a great Nation.

As never before, we need a commitment to education.

We think of ourselves as an educated Nation—and we are. But 63 percent of us haven't completed high school and 92 percent of our adults haven't completed college.

We are producing fewer—not more—engineers and scientists today than in 1950.

On and on we could go. The list is long and growing.

But this is not a list of new commitments. It is a listing of America's oldest commitments which we are obliged to honor if we would keep America as America.

The complexities of our times are many—whether in outer space or international finance or budgetmaking or tax collecting.

But those complexities do not control us. We are masters of our fate—and the fate of freedom.

We must trust our system.

We must trust our institutions.

We must trust ourselves—to the fullest.

We have caricatured our Congress, our Supreme Court, our Presidency, our parties, our public leadership. The caricature must not undermine our confidence or infect us with cynicism—or else we shall become a caricature of the strong, free peoples that we are.

All who are privileged to lead American opinion are, I believe, obliged to use their forums and their energies to persuade Americans that we are captives of no complexity but are free men who are masters of great new capabilities.

Mr. KEATING. Mr. President—

The PRESIDING OFFICER (Mr. BREWSTER in the chair). The Senator from Florida has the floor.

Mr. HOLLAND. Mr. President, I have the floor. I agreed to yield briefly to the Senator from New York [Mr. KEATING] and the Senator from South Dakota [Mr. McGOVERN]. I shall perhaps require an hour for my statement. Each of the Senators has told me that he desire to speak 3 minutes and 5 minutes respectively. I yield first to the Senator from New York.

CRISIS IN BIRMINGHAM

Mr. KEATING. Mr. President, we are all deeply concerned about the outbreak of violence in Birmingham. None of us, of course, wishes to say or do anything which would exacerbate the situation there.

We have learned once again, however, that the more timid and hesitant the Federal Government is to enforce civil rights, the more drastic will be the measures to which it must ultimately resort.

At a meeting with Deputy Attorney General Katzenbach last week, it was urged by a number of Senators that the Department of Justice seek the legislative authority it needs to intervene in these situations when conciliation and mediation break down. In an exchange of correspondence with Mr. Marshall in April, I asked the Department to give its

views on legislation which would empower the Attorney General to seek civil injunctions in cases involving denials of civil rights, but the Department has not yet responded to this letter.

I do not mean to be critical, because I recognize the problems with which they are faced, and I am sure that my letter will be responded to in due course.

Today, Attorney General Kennedy appeared before the Senate Committee on the Judiciary and made a strong case for the enactment of a public defender bill—a bill designed to provide paid counsel for defendants in criminal cases.

This is a good cause. It is a cause which I have supported over a number of years. But a public defender for law-abiding citizens seeking to vindicate their constitutional rights is an even more urgent requirement.

I hope—and we all do—that not only peace but justice will be achieved in Birmingham. The efforts of Assistant Attorney General Burke Marshall certainly deserves the highest praise, and I do not condone violence on either side of this dispute. But we must be able to back up the Federal Government's responsibility with legal means.

The alternative to mediation under the present gap in our legal arsenal appears to be the use of Federal troops. Certainly there should be something in between these two steps which the Federal Government can do to confront these challenges to equal rights. If the Federal Government is ready to send troops to Alabama, it ought to be willing to give its full backing to the legislation needed to authorize civil injunctive suits in these cases.

The battle of Birmingham—no matter what its outcome—must be viewed as a symptom of a much broader problem with menacing implications. The impatience of American Negroes with second-class citizenship is obvious and understandable. We must anticipate the possibility of many more Birminghams and recognize the responsibility of the Federal Government to make certain that the Constitution is respected and enforced throughout America.

I thank the Senator from Florida for yielding to me.

INTERNAL REVENUE SERVICE RULES THAT PEACE IS NOT A RELIGIOUS CONCERN

Mr. McGOVERN. Mr. President, I thank the distinguished Senator from Florida for yielding to me. Later in the debate I intend to speak on the proposed feed grain legislation, but today I wish to comment very briefly on another subject.

I was shocked to read in a current periodical this past weekend of a ruling by the Internal Revenue Service which has deprived one of the Nation's established religious groups of its tax exempt status because that group has been working primarily for peace.

I could scarcely believe my eyes as I read the explanation of the Internal Revenue Service that they had revoked the tax exemption of the Fellowship of

Reconciliation because that organization is devoted primarily to "the prevention of war."

"We do not conclude that your purposes are religious," the IRS told this respected Christian organization which includes among its members some of the most honored clergymen and religious leaders in America.

Mr. President, it is absolutely fantastic that an agency of the U.S. Government should presume that working for world peace and the prevention of war is not a religious purpose.

There have been many rebukes to the Prince of Peace over the centuries, but this must be the first time that the U.S. Government has officially declared that His message of peace and reconciliation is not religious.

The person who concocted the ruling that working for peace is not a religious concern may be an expert on taxation but he is an ignoramus in the field of religion and especially in the area of Christian social action.

I take this opportunity to ask publicly on the floor of the U.S. Senate that the Internal Revenue Service come to its senses on this issue and restore to the Fellowship of Reconciliation the same tax exempt status that is enjoyed by other religious groups.

I make this request not primarily for this one organization, but because as a churchman, as a former soldier, and as a citizen dedicated to the cause of peace, I cannot accept a ruling by my Government that the search for world peace is not a religious purpose.

I thank the Senator for yielding to me.

Mr. HOLLAND. I am very happy to do so.

FEED GRAIN ACT OF 1963

The Senate resumed the consideration of the bill (H.R. 4997) to extend the feed grain program.

Mr. HOLLAND. Mr. President, I wish to speak in opposition to the pending measure because, if enacted, it would be very, very hurtful to many agricultural industries in our Nation, particularly to those who produce meat, livestock—especially cattle—and to those who produce poultry or eggs and those who operate dairies.

I think, in addition, that what is proposed is a long step toward total regimentation of the agriculture of this Nation. Since I feel so, I would not be justified in doing other than calling to the attention of the Senate the fact that I feel it is that kind of a bill and that it is a bill which we should certainly turn down.

First, Mr. President, I wish to refer to the testimony of the Florida witnesses; not because I think they testified more accurately than other witnesses nor because I think that their experience differs from that of others elsewhere, but because I think on account of our geographic location we do have a certain situation which is perhaps more applicable to them, because of our great distance from the centers of production of feed grains, than to others whom I can now recall. It is perhaps true that there are some in

New England, and there may be some in other parts of the Nation, who are equally or at least similarly affected, but I believe Florida probably is more adversely affected than any other area concerning which I have heard.

Mr. President, I call attention of the Senate, therefore, to the fact that the three industries of my State which I have mentioned, which are the livestock industry, the dairy industry and the poultry industry, all large, substantial and reputable industries—have sent highly representative members and officials of their industry to testify before the committee, to voice their extreme objection to this particular legislation.

I want the RECORD to show that, I objected to the feed grain portion of the first bill passed last year, and voted against it. However, after serving on the conference committee on the second bill and helping to moderate its provisions, for instance, so that they would not apply to a person raising only food for his own stock or dairy or poultry farm, and after obtaining the conference a very important provision affecting wheat; namely, that which cut down the minimum acreage from 55 million to a lesser figure, as is known to all Senators, or to an uncertain figure which can be below that, I did vote for that bill on the question of passage, stating at the time that I was reluctant to vote for the feed grain portion but that the good accomplished as to the wheat industry was sufficiently great and that we had been working for it sufficiently long to justify my voting for it.

Mr. President, I have no regrets or apologies about that, but I wish to make it very clear that I have never voted for anything which even approaches the terms of this bill, even though it has been stated on the floor by Senators who I am sure believe it that the bill is a simple extension of earlier acts, which this year are applying for the third year, though in somewhat different form. This bill has such great variations from the law under which we have been operating that I could never agree to support such a measure.

With reference to the Florida witnesses, the first witness was Mr. Cushman S. Radebaugh, president of the American National Cattlemen's Association, who happens to live in our State. He made a very strong statement representing the American National Cattlemen's Association and also representing the livestock industry of our State.

Mr. President, I also have received a telegram from Mr. Ralph Cellon, the president of the cattlemen's association of Florida, stating his strong objection and that of the association to the bill, and I ask unanimous consent that it may be incorporated in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

KISSIMMEE, FLA.,
May 11, 1963.

Senator SPESSARD HOLLAND,
Washington, D.C.:

Florida Cattlemans Association urge you not to vote for same feed grain bill which passed House. We believe this feed grain bill

should not be considered before May 21 wheat referendum and our association feels too much authority is given to Secretary of Agriculture in the bill.

Respectfully,

RALPH W. CELLON,
President, Florida Cattlemans Association.

Mr. HOLLAND. Mr. President, the next witness was Mr. T. K. McClane, Jr., executive vice president of the Florida Farm Bureau Federation. He spoke for an organization which he advises has 33,000 farm family members in our State. I am sure he could not speak for all those 33,000, but I know perfectly well that the principles for which he spoke have been repeatedly approved, and enacted from year to year, by our State Farm Bureau Federation conventions and by the directors of the Florida Federation.

Both Mr. McClane and Mr. Ed Finlayson, the president of the Florida Farm Bureau Federation, who wrote me about the measure, expressed the strong opposition of the Florida Farm Bureau Federation to this measure.

The third of the witnesses was Mr. John J. Johnston, of Kissimmee, Fla., who is a member of the board of directors of the Central Florida Milk Producers Association and who also is a member of the board of directors of the Farmers Cooperative Exchange, which he explained was an organization consisting of 22 dairy farmers who, through a cooperative plant and distributing agency, were trying to lessen the cost of feed, among other things, for their dairy production.

The fourth of the witnesses was Mr. Herman Jones of Jacksonville, Fla., who is a poultryman, president of the Florida Hatchery & Breeders Association, a member of the board of directors of the Florida Poultry Industry Federation, and a member of other poultry groups in Florida. He is certainly one of the most active and highly representative poultrymen in our State. He testified as to the extreme objection of the poultry producers, egg producers, hatchers and the like in his industry, which in our State is quite a large segment of the national poultry industry.

I am glad to observe that the present Presiding Officer is the junior Senator from Maryland (Mr. BREWSTER in the chair). I am sure one of his greatest concerns is the poultry industry of his State. That is also true with reference to the dairy industry.

Mr. President, I am not going to impose upon other Senators by reading into the RECORD long portions of testimony by these witnesses. My purpose is to state that representative people, on behalf of their organizations, have come here to make it clear that they oppose—and why they opposed—enactment of this proposed legislation.

Mr. President, I am not quoting from their testimony. I am simply stating what is to be found among their statements. Any Senator may read the testimony if he wishes. The witnesses make it clear that Florida's situation in the matter of obtaining feed for its various industries of this kind is difficult.

When the first of these programs was

started in 1961, we produced at that time only about 40 percent of the total feed requirements of these industries in our State.

Since that time the acreage has been brought down by the operation of these feed grain programs.

Mr. McClane stated the acreage was reduced some 30,000 or 40,000 acres last year from the year before, and that reduction has also resulted in a 12-cent rise in prices of feed grains over the Nation. As a result, our State has to pay, on the average, 20 cents per bushel more for its grain requirements, when the grain comes from the central grain producing States, than is the case with many other States which are closer.

When these factors are all added up, it should be clear that the various industries which I have mentioned feel they are being adversely affected by this type of agricultural legislation.

They have already been adversely affected by the existing programs. They think they will be more adversely affected by the proposed legislation, because they feel that the provision which makes discretionary with the Secretary of Agriculture the fixing of the amount of compensatory payments—payments in kind, really the bonus which the Secretary is allowed to pay to the producers of feed grains—is unlimited under this bill, whereas under the act now operating, 18 cents per bushel for corn is the limit.

They feel that the fact that such power is not limited is a precedent which they would not want to see enacted, by any means.

I know perfectly well that the Secretary of Agriculture, after this question arose, and not before, after this question became very vigorously debated in our committee, sent to our distinguished chairman first one letter, and then a second letter, which stated in so many words, that he will not fix the amount of these payments in kind at more than 18 cents a bushel, which is the amount provided under the existing law.

When the question came up as to why that could not be placed in the bill by amendment, the only reason advanced was that it was necessary to pass the bill before the 21st of this month, because of the wheat referendum on that date.

I do not want to see the Senate to ever pass a bill which leaves unlimited authority in a Secretary of Agriculture to fix, at his own discretion, any part of the support price which will be carried out through production payments, which can be paid as a bonus for diversion of acreage, and for limiting supplies, and for control, in an important field such as this.

Mr. President, it is an important question, not merely to those who are in the livestock, poultry, and dairy business, but it is an important question to the entire Nation, as to whether we should ever give to any one man, no matter how fine he may be—and I question neither the integrity nor goodness nor the many other likeable and commendable characteristics of the Secretary of Agriculture; I am fond of him; but I would not ever want to be proposed a law which would give to any one man—

any such extraordinary power over such an important segment of agriculture in this country.

To do so would be to set a precedent and to start off on a path which, in my humble judgment, could lead only to one place, and that is to the complete regimentation and control of agriculture from one end of the country to the other.

Mr. President, to me it is lamentable when we find, despite the fact that the farming section is among the most conservative sections of the country, a section which has supplied great leadership, the people of whom have contributed as much to good, clean government, that there are those who now propose such unbridled control over an industry which has always prided itself on independence of judgment. Our country has been proud of the fact that the farmers know how to meet their own problems probably better than any other group in our Nation. Yet here it is proposed to start, for the first time, the regimentation of this important segment of our agricultural economy.

Mr. President, it is not merely for the purposes of this bill that these provisions are offered. These provisions are quite similar to ones advanced by another Secretary of Agriculture some years ago, Mr. Brannan. I have no doubt he was honest in the advancement of that program. I have no bricks to throw at him. He testified before our committee and stated very clearly what his views were and what he wanted us to do. I well remember that the whole committee, with the exception of a single member, threw his program out the window and reported an entirely different approach to the agricultural problems of our Nation, an approach which an earlier Secretary of Agriculture, now the senior Senator from New Mexico [Mr. CLINTON ANDERSON], and our distinguished friend, the acting minority leader, and ranking Republican member of the Agriculture Committee, Mr. AIKEN, of Vermont, got together on formulating a program that to me was not only full of commonsense, but which also advised us most clearly the kind of independent aspirations which the American people generally ascribe to agricultural people. We gave the farmers some guidelines and some help, and set up some machinery, but did not attempt to tell them what their decision should be, and how much they should plant, and how much they should reap, and, in effect, control and regiment their every action, as the Brannan plan did.

Mr. President, I felt it might be useful to recall for the RECORD the testimony of former Secretary Brannan when he appeared before our committee a few years ago. I am prepared to do so as briefly as I can because I think the RECORD should show clearly that this program comes partly out of the Brannan plan, except that it is worse—worse in that the Brannan plan at least tried to limit the application of the program to what the former Secretary called family units, which he defined, as I shall quote him to have defined them, before our committee, at that time.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. AIKEN. I hold no brief for the Brannan plan, but I do say, in behalf of Mr. Brannan, that when he was approached to see if he would put all the employees of the Department of Agriculture to work promoting that plan, he declined to do so, saying it was neither proper nor legal. I want to give Mr. Brannan credit for it. There were one or two instances where Federal employees got overly enthusiastic and did exceed the bounds of propriety, but, I am sure, not with the Secretary's consent.

Mr. HOLLAND. I am glad to have had the statement made by the Senator from Vermont, who was very fair to Mr. Brannan on that occasion, and always has been since. I am trying to be equally so. For that reason, I am going to place in the RECORD the exact words of the Secretary describing his program.

I shall not read all of them, but I ask, first, that the items on page 35 of the hearings on the Agricultural Adjustment Act of 1949 which I have marked be included at this point as a part of my statement.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Application of support: Loans, purchase agreements, production payments, and direct purchases should be available for use. These several methods would be used singly or in combination as experience and prevailing circumstances warrant.

Commodity loans and purchase agreements are probably the most effective and efficient methods for the commodities which do not appreciably deteriorate in storage and for those which should be held in reserve in appreciable quantities for production stability or against national emergencies.

Production payments, on the other hand, seem more adaptable as a method for supporting highly perishable commodities and those for which storage is too costly.

In the case of both perishables and storables, it may sometimes be desirable to remove surpluses or to obtain supplies for storage or collateral programs by purchasing directly from producers or intermediate processors.

Conditions of support: The availability of price support cannot be separated from the acceptance by farmers of reasonable undertakings to advance or accomplish the overall objectives of a sound farm program in the interests of the public and of their fellow farmers, such as:

(a) The observance of minimum and sound soil conservation practices;

(b) Compliance with or adoption of whatever programs are found necessary to curtail wasteful production or disorderly marketing (such measures as acreage allotments, marketing quotas and marketing agreements which may be adopted from time to time through referendums or by the authority of the Secretary under terms of specific legislation such as is now on the statute books);

(c) The limitation of eligibility for price support to a defined volume of production on each farm—a volume high enough to benefit most farms but one which will not encourage the development of extremely large industrialized farming.

Mr. HOLLAND. Mr. President, on page 37, I ask unanimous consent that similar treatment be given to the portion of Mr. Brannan's testimony printed on that page, as I have marked it.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Price-support methods: Commodity loans and purchase agreements are methods well adapted to the support of storable commodities which can be carried over without processing for a number of marketing years if necessary. Storables account for roughly 25 percent of our annual cash receipts from farm marketings and include cotton, corn, wheat, and other grains, tobacco, the oil-seed crops, dry beans and peas, wool, and peanuts. These are not all equally storable, but experience has shown that loans and purchase agreements are effective for all the commodities on this list. Nevertheless, it would be desirable to have available, as a supplementary method, the authority to make production payments under certain circumstances.

The nonstorables—products which are either highly perishable or which can be stored only at heavy expense—include fruits, vegetables, meat animals, milk, butterfat, poultry and eggs, and account for roughly 75 percent of cash farm receipts. Production of these commodities is geared largely to domestic demand, and this demand fluctuates with employment, wages, and other factors which change mass purchasing power. We can hope to increase per capita consumption of all or most of these products in a healthy economic climate.

When it is necessary to apply supports to any of these nonstorable commodities I recommend that we rely mainly upon production payments.

Mr. HOLLAND. On the next page, I read this portion of Mr. Brannan's statement:

Under this system the farmer would be paid in cash the difference between the support standard for commodities which he produced and the average selling price for those commodities in the marketplace. Because the payments would go directly to the farmer it would be an efficient support operation.

In another place on that same page Mr. Brannan stated:

It is obvious, of course, that the use of production payments must be qualified in such a manner as to avoid extremely depressed prices in the marketplace or a wasteful use of soil resources.

I ask unanimous consent that the portion of Mr. Brannan's statement on page 39 that I have marked be included in the RECORD as a part of my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Failure to provide for adjustments in production may result in burdensome surpluses as well as continued unwise use of much of our soil resources.

In view of the significant changes that have taken place in the total volume and in the pattern of agricultural production, there is a need to reexamine our adjustment policies and programs in order to insure that they realistically meet the problems that lie ahead. In making this reexamination, careful consideration must be given to providing a combination of production and marketing adjustment measures to balance supplies with demand, given producers an opportunity to contribute to farm income stabilization, and provide reasonable limits to the Government's financial assistance. My suggestions regarding these, by commodity groups, are outlined below:

Marketing quotas and acreage allotments should continue to be available or be provided for commodities such as tobacco, cotton, wheat, rice, corn, and peanuts with improvements based on experience.

Whenever acreage allotments or marketing quotas are in effect on corn, acreage allotments and marketing quotas should be available for use on other feed grains and possibly rye. Such authorities are needed for additional commodities, such as soybeans, flaxseed, and dry edible beans.

The legislation should provide for acreage allotments, marketing quotas and marketing agreements and orders for fruits, vegetables, and tree nuts. Producers of any one of these commodities should be provided with adequate tools to develop a program which would maintain or establish balance between supplies and demand, thereby providing a basis for price and income stabilization.

The time may come when marketing quotas or similar feasible devices may be desirable for meat animals, dairy products, poultry and eggs, although the need for improving the diets of consumers and for encouraging conservation farming would not so dictate at this time. For fluid milk, marketing agreements and orders should be continued.

Eligibility of a producer for participation in the benefits of any price support program should be conditioned upon compliance with or adoption of applicable programs of production adjustment, marketing quotas or agreements, and the carrying out of reasonable conservation practice requirements.

Mr. HOLLAND. Mr. Brannan then made it clear that he wanted a limitation proposed. He said:

A further limit on the extent of support is necessary if the public is not to provide financial encouragement for the continued development of extremely large-scale, industrialized farming.

The program I have presented is designed to raise the efficiency with which resources are used in agriculture. But our emphasis upon efficiency must not be followed in disregard of maintaining a strong and self-reliant rural population in America. In my opinion, we would be wrong to allow our programs to operate in such a way as to encourage the concentration of our farmland into fewer and fewer hands.

Mr. President, I wonder if those who drafted the pending bill originally, and before the Secretary of Agriculture had written his two self-limiting letters, realized that they were not recognizing the need for a limitation of discretion and authority of the Secretary of Agriculture.

I quote from page 40, as follows:

As one means of implementing this conclusion, I suggest that the production of a farm in excess of a predetermined amount be not eligible for price support.

To determine the amount of commodities per farm eligible for support, it is suggested that we establish a common unit of measurement applicable to all agricultural commodities on which price supports may reasonably be expected at some time. I am suggesting a "comparative unit," which would be equal to 10 bushels of corn, almost 8 bushels of wheat, or a little more than 50 pounds of cotton. The equivalent in other crops or commodities may be quickly computed by relating their value to the value of corn according to prices used in the price-support standard. This is elaborated upon in the attached table, exhibit D.

It is then suggested that not more than 1,800 comparative units per farm be eligible for support. The effect would be about as follows: The operators of all farms, no matter how large, would receive benefits of the price-support program to the extent of 1,800 units of the commodities grown on that farm. Farms which produce in excess of

1,800 units would not enjoy support on the excess. This would exclude part of the production on approximately 2 percent of the farms of the Nation.

There are other statements of the same sort. However, I believe that perhaps the best résumé of Mr. Brannan's testimony may be found in his exhibit D, which appears at page 44 of the hearing record. I ask unanimous consent that his exhibit D, on page 44, be included in the RECORD at this point in my remarks.

There being no objection, the exhibit was ordered to be printed in the RECORD, as follows:—

EXHIBIT D

Selected list of commodities showing quantity equivalent to 1 unit (10 bushels of corn) valued at income support standard prices

| Commodity: | Quantity equivalent to 1 unit |
|--|-------------------------------------|
| Wheat, bushels..... | 7.77 |
| Corn, bushels..... | 10.00 |
| Cotton, pounds..... | 52.16 |
| Rice, bushels..... | 6.46 |
| Peanuts, pounds..... | 154.97 |
| Tobacco: | |
| Flue-cured, pounds..... | 29.68 |
| Burley, pounds..... | 29.44 |
| Butterfat, pounds..... | 21.82 |
| Milk, whole, hundredweight..... | 3.46 |
| Hogs, hundredweight..... | 0.76 |
| Eggs, dozen..... | 31.88 |
| Chickens, pounds..... | 50.34 |
| Flaxseed, bushels..... | 3.40 |
| Soybeans, bushels..... | 5.75 |
| Beans, dry, edible, hundredweight..... | 1.73 |
| Potatoes, bushels..... | 9.18 |
| Beef cattle, hundredweight..... | 0.86 |
| Lambs, hundredweight..... | 0.79 |
| Oats, bushels..... | 17.70 |
| Barley, bushels..... | 11.97 |
| Apples, bushels..... | 5.59 |
| Wool, pounds..... | 29.32 |
| Oranges, boxes..... | 7.45 |

Mr. HOLLAND. Mr. President, the only reason I have gone to this length is to have Senators realize that as to these commodities, they are treading the same path that Mr. Brannan trod, but that they are not observing the principal limitation which he stated time and time again in his testimony to be a necessary ingredient of such a program in order to make it at all fair, unless the farm program of this Nation was to encourage the growth of large-scale, industrialized farming to the detriment of the family farm.

It is true that the advocates of the bill, after this question was raised, secured from the present Secretary of Agriculture the statements in his two letters, which appear in the RECORD and which have been mentioned by the distinguished Senator from Louisiana, the chairman of the committee.

That does not change the vice of the proposed legislation at all in this regard, because this is an open invitation for other groups, who may be adversely affected from time to time, to come in and request of us the same kind of authorization that we will have given, if we pass the pending bill, to a large segment of the agricultural production in our Nation.

It is inconceivable to me that the Senate, which has turned down repeatedly

and by huge margins in committee and on the floor any real approach to the Brannan plan, would approve the pending bill in the form in which it is now, because of the fact that it so gravely violates a very clear principle of payment limitation which even Mr. Brannan admitted must be placed on his program if it were to be at all fair to the agricultural producers who are affected by it.

Let us see what Secretary Freeman had to say on this same subject matter. I shall quote from the record with reference to his discussion of this subject when it came up.

First I shall read a provision found in section 2, subsection (d), on page 3 of the printed bill, which reads as follows:

Such portion of the support price for any feed grain included in the acreage diversion program as the Secretary determines desirable to assure that the benefits of the price support and diversion programs inure primarily to those producers who cooperate in reducing their acreage of feed grains shall be made available to producers through payments in kind.

I noted that the distinguished Senator from Louisiana, the able chairman of the committee, in making his fine presentation of this subject matter, read this same portion of the bill and said that it declares what the purpose of the action is. It does disclose it. He was correct. Enough was to be paid by way of compensatory payments or bonuses, and subtracted from the support price fixed by the Secretary, to persuade whatever number of people he had determined in his discretion it was necessary to persuade, to enter into the program. That is the purpose of its being there. That is the reason it is unlimited. Remembering now that he was being examined on this subject before he wrote these two letters, it might be well to quote from the questions propounded to him and from his own comment as to what his observations were on this subject.

The Senator from Iowa [Mr. HICKENLOOPER] asked the Secretary a question. Disregarding the early part of it, I read the pertinent part, as follows:

Do you as Secretary have complete discretion to decide how much of the payments will be compensatory or, let us say, Brannan type payments? Would you agree that the bill, as passed by the House, would for instance permit you to set the loan rate at 50 cents a bushel and the compensatory rate at 75 cents a bushel if you wanted to?

I am not asking you whether you would or not, but I say, would it permit you to do so?

The Secretary said: "I believe so."

Then the second question was:

Would it permit you to set the loan rate at zero a bushel and the compensatory payment at 25 cents a bushel or a dollar or something else?

Secretary FREEMAN. I think so.

Senator HICKENLOOPER. You would have that discretion from zero to basically whatever you wanted to put it? So you could go to zero if you were so minded?"

This is the complete answer of the Secretary on that point:

The mix between the acreage diversion payments and the price support payments is intentionally left rather broad for reasons that I related in response to the question from the Senator from Delaware this morning.

I continue to quote:

Senator HICKENLOOPER. Yes. Now, do you think that that complete discretion, from zero on up, is the kind of a discretion that really Congress ought to lodge in a Secretary?

This is the answer of Secretary Freeman:

I think it is a modest discretion when it is considered in terms of the four corners of the law, the development of this program, the new dimension to which it will move when we have eliminated surpluses.

I merely wish to have the RECORD show very clearly that the Secretary of Agriculture—and I respect him; he is frank; he came right out with what he was talking about—said:

I think it is a modest discretion when it is considered in terms of the four corners of the law, the development of this program, the new dimension to which it will move when we have eliminated surpluses.

We are dealing with a very deliberate and frankly stated effort to give the Secretary of Agriculture, by the terms of the bill, complete discretion to divide the support price which is fixed by the bill at anywhere from 65 to 90 percent of parity, in any two kinds of moieties that he wishes, so long as they total the price support which was announced. But those two moieties are completely different. One is the loan value from which the CCC resale price would be computed; the other is the fixed so-called compensatory payment, which is included as a persuader. I remember that in World War I—and I know the Senator from Louisiana will remember this—there were certain devices in the Armed Forces which were called persuaders. Here is a persuader which is being given to the Secretary of Agriculture, so that he could set as much of this total price support as a come along persuader to get all of the acreage into the diversion program as he feels should be there. I think it is so unlimited as not to require any further discussion.

I read further from the testimony of Secretary of Agriculture Freeman:

Actually, the support price in this bill is between 65 and 90. And then the payment adjustment, in connection with that support price, is left to the discretion of the Secretary, which is the only change, where previously it was 18 cents.

It was not only a change; but I agree with the Secretary that it was the principal change. I think we will all agree that that is the case. But the Secretary continued:

So this is actually not a very significant change.

I disagree. It was a very great change.

Any person, no matter how splendid his objective, how fine his character, how genial his disposition, who thinks this was not a substantial change or a significant change, when he was asking that Congress give him, instead of the 18-cent limitation for the fixing of the so-called

bonus payment, an absolute, unlimited discretion and authority, as he has already stated, must understand where we are going if we pass this kind of legislation.

The Senator from Iowa [Mr. HICKENLOOPER] upon that exchange having been completed, asked the Secretary this question:

Well, would you object to them retaining it as it was originally?

That is, the 18 cents.

Secretary Freeman replied:

I think I would feel very strongly that it is important that the amount of discretion, which was the product of some very, very careful thought and review and hearings should remain as it is on—

Senator HICKENLOOPER. You mean as it is in the bill we are considering?

Secretary FREEMAN. As it now stands in the bill before you; yes.

Senator HICKENLOOPER. Well, then, it must be a significant change from the other bill?

Secretary FREEMAN. Well, that is a question of definition, I suppose. I would say it is important.

And I do not think that the increased discretion, in and of itself, is a great delegation of authority, by no means.

The Secretary of Agriculture, who did not regard that as a very great delegation of authority or a very great departure from anything Congress has ever done before, could not have been thinking very carefully before he made that reply.

Then the Secretary ended with this statement:

I think it is well within the normal congressional delegation of discretion.

I do not believe it is within the normal scope of delegation of discretion. I know that we in the Senate have never delegated such discretion to anyone in this field. I do not believe it is appropriate for us even to consider it now, particularly when, by these letters, it has become clear at last that the Secretary does not intend to go higher than the 18 cents now fixed by existing law. There is no Member of the Senate who does not realize that the bill should not have been drawn in the way it is presented to us. But it is stated—and I am sure Secretary Freeman would meet his commitment—that the Secretary is committed to not go above 18 cents in 1964 and 1965. I believe there are Senators who would not agree that the Secretary of Agriculture is likely to be functioning in 1965. We all hope that he will be well and happy; and so far as I am concerned, I hope that he will still be functioning as Secretary of Agriculture. But there will be an election between now and then. I think it ought to be very clear that the Secretary of Agriculture cannot give a commitment binding upon anyone else than himself. I believe this commitment is completely binding on him. I hope that not only will he serve out his present term, but also that he will have another 4-year term; and if he wants others beyond that, I should be glad to see him have those terms. But I certainly think that anyone who regarded a commitment made by the existing Secretary of Agriculture as conclusive on all of 1964, a year to which we have not

yet attained, and then the year 1965, which will come in the next administration, would realize that we were taking a lot on faith if we approved the proposed legislation in this form.

Senators have come to me and asked, "Why not let the bill pass without your opposition? You know the Secretary will not exceed 18 cents. He has told us that now. We have gained that point."

We have gained that point, Mr. President. But that point would not have been gained, in my humble judgment, but for the fight put up in committee. Nevertheless, I do not believe in loose methods of enacting important legislation affecting the livelihood of hundreds of thousands of people in businesses throughout the country.

Mr. President, tomorrow I shall probably have further remarks to make in regard to this matter. However, I see present at this time certain Senators who wish to speak. So I should like to bring to a conclusion my remarks of today by asking that certain excerpts from the minority views on the bill be printed at this point in the RECORD, in connection with my remarks. In fact, I shall read for the RECORD items 1 and 2, which I believe to be of particular importance. In letters written by the Secretary of Agriculture it is claimed that these points have been met. In fact, such letters constitute an admission that this measure is unsound; that is shown by the fact that the letters were written in an attempt to justify the passage of this unseemly measure in the form in which it now exists.

I now read from the minority views:

CHANGES IN H.R. 4997 FROM THE 1963 FEED GRAIN PROGRAM

H.R. 4997 is basically a 2-year extension of the 1963 feed grain program with the following major changes:

(1) The Secretary is given discretion to set the direct payment and the loan at any combination that will result in a level of support from 65 to 90 percent of parity. This would permit the Secretary wide-open discretion to substantially lower the loan rate and dramatically raise the compensatory payment rate. This action would automatically lower the resale price of surplus grains held by CCC, and thus add a new confusing factor to artificially depress market prices.

I call particular attention to the latter portion of paragraph (1). At this time I shall not expand on that point; but I read that part again:

This action would automatically lower the resale price of surplus grains held by CCC, and thus add a new confusing factor to artificially depress market prices.

(2) The Secretary is given discretion to set the percentage of diversion required in order for the producer to qualify for price support (up to 50 percent).

Mr. President, from remarks which have been made today by the distinguished Senator from Louisiana [Mr. ELLENDER], I understand that another letter from the Secretary of Agriculture gives us assurance that in connection with that matter, he will not require more than a 20 percent diversion for compliance with the program? Is that correct?

Mr. ELLENDER. Yes. I have both letters in the RECORD.

Mr. HOLLAND. I thank the distinguished Senator from Louisiana. I appreciate his placing them in the RECORD, and I also appreciate the fact that both he and the Secretary of Agriculture have seen the soundness of the objections to this measure by those of us who have objected to it, at least to the degree that they seek to correct—insofar as the Secretary's letters could correct—matters in connection with such legislation which are so wrong that I think that despite all the good intentions, they would place us on the road to complete governmental domination and control of agriculture.

Mr. President, I close by adverting to my own State. I believe Florida is ninth in population in the Nation, and our agricultural production is somewhat in excess of \$800 million, as compared with an agricultural income of several billion dollars in other States. Nevertheless, Florida is a large agricultural State, and this proposed legislation would have a very adverse effect in 3 respects on some of our largest agricultural industries.

First, we are so far removed from the average place of production that we have to add an average of 20 cents a bushel in order to obtain sufficient grain to supply our needs. We used to import 60 percent of our feed and that percentage now has become more, since these diversion programs have been under way.

Second, we have to pay the added cost of 12 cents a bushel which has applied to this whole industry, by reason of the programs of 1961 and 1962.

Third—and this is something which Senators may lose sight of—we have lost a great deal of the acreage for local production, and that acreage must be replaced by grain coming in at the full market price, with our freight differential added to it, and it adds greatly to the cost which has resulted from these programs.

Mr. President, there can be no doubt that such legislation is regional legislation and is class legislation, and reflects unnecessary losses and hardships, in varying degrees, upon our State and other States similarly situated.

Mr. President, the Senate should not attempt to have proposed legislation of this kind enacted, and more particularly when it would seek to establish—for the first time in our agricultural program—a precedent of unlimited authority granted to the Secretary of Agriculture in connection with the fixing of compensatory payments or bonus payments.

Mr. President, I hope we shall not take this proposed step. For that reason, I object strongly to the proposed passage of this measure.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BURDICK in the chair). Without objection, it is so ordered.

MILITARY PROCUREMENT ACT— CONFERENCE REPORT

Mr. RUSSELL. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2440) to authorize appropriations during fiscal year 1964 for procurement, research, development, test, and evaluation of aircraft, missile, and naval vessels for the Armed Forces, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2440) to authorize appropriations during fiscal year 1964 for procurement, research, development, test, and evaluation of aircraft, missiles, and naval vessels for the Armed Forces, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That funds are hereby authorized to be appropriated during fiscal year 1964 for the use of the Armed Forces of the United States for procurement, research, development, test, and evaluation of aircraft, missiles, and naval vessels, as authorized by law, in amounts as follows:

"PROCUREMENT

"Aircraft

"For aircraft: For the Army, \$503,600,000; for the Navy and the Marine Corps, \$1,938,700,000; for the Air Force, \$3,448,600,000.

"Missiles

"For missiles: For the Army, \$565,700,000; for the Navy, \$1,107,300,000; for the Marine Corps, \$14,700,000; for the Air Force, \$2,177,000,000.

"Naval vessels

"For naval vessels: For the Navy, \$2,159,600,000.

"RESEARCH DEVELOPMENT, TEST, AND EVALUATION

"Aircraft

"For aircraft: For the Army, \$79,748,000; for the Navy (including the Marine Corps), \$198,083,000; for the Air Force, \$676,986,000, of which amount \$363,700,000 is authorized only for research, development, and test of the RS-70.

"Missiles

"For missiles: For the Army, \$559,301,000; for the Navy (including the Marine Corps), \$572,433,000; for the Air Force \$1,028,332,000.

"Naval vessels

"For naval vessels: For the Navy, \$284,208,000."

And the Senate agree to the same.

RICHARD B. RUSSELL,
JOHN C. STENNIS,
LEVERETT SALTONSTALL,

Managers on the Part of the Senate.

CARL VINSON,
L. MENDELL RIVERS,
PHILIP J. PHILBIN,
F. EDWARD HEBERT,
LESLIE C. ARENDS,
LEON H. GAVIN,
WALTER NORBLAD,

Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. RUSSELL. Mr. President, the report relates to the authorization bill for military procurement and research and development. The representatives of the two bodies came to an agreement on Friday on the bill.

The conferees have agreed on a bill that totals \$15,314,291,000. This is \$362,800,000 more than the Senate version of the bill and \$542,100,000 less than the House version. The amount requested by the Department of Defense was \$15,358,691,000, so the conference recommendation is \$44,400,000 less than the amount sought by the Department.

It must be borne in mind that both the Senate and the House bills provided \$363,700,000 in authorization for the further development of the RS-70 aircraft that the Department did not request. The congressional reduction in the programs proposed by the Department, therefore, amounts to \$408,100,000.

I have a tabulation that compares the amounts sought by the Department with amounts approved by the House and the Senate bills and the amounts agreed upon by the conferees. This tabulation shows separately the amounts involved for procurement and for research and development on aircraft, missiles, and naval vessels.

I ask unanimous consent that the tabulation be printed at the conclusion of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. RUSSELL. Mr. President, of the \$362.8 million in restoration of Senate cuts agreed by the Senate conferees, \$8.3 million is for Iroquois helicopters; \$23.8 million is for Chinook helicopters; and \$15 million is a partial restoration of the \$30 million reduction the Senate had made in the Pershing missile authorization.

On naval aircraft types, the Senate had made reductions of \$117.3 million on seven types of aircraft. The conferees restored these reductions except for the \$13 million reduction in the F4B program and a \$7 million reduction for the TC4B. The Senate also receded from a reduction of \$10.5 million in naval aircraft modifications and spares and a reduction of \$12.2 million in the SUBROC missile procurement program.

On the Air Force program the conferees made a partial restoration of Senate reductions in the F4C and the RF4C procurement program. The amount restored is \$42 million for F4C procurement and \$42.3 million for the RF4C procurement. Also restored were Senate reductions of \$35.3 million in "below the line" items of procurement, such as modifications and spares.

In the Air Force missile program the Senate receded from a reduction of \$67.6 million in the procurement of Minuteman missiles and \$8.2 million for modifications and spares.

In conclusion, Mr. President, I believe the procurement and research authori-

zation agreed to by the conferees is a sound one. While it provides less than the Department had requested, I am

convinced that the reductions will not adversely affect our defense. I urge that the report be approved.

EXHIBIT 1

[Thousands of dollars]

| | Requested, fiscal year 1964 | House | Senate | Conference |
|---|-----------------------------------|------------|------------|------------|
| Procurement: | | | | |
| Aircraft: | | | | |
| Army..... | 522,100 | 522,100 | 471,200 | 503,600 |
| Navy and Marine Corps..... | 1,958,700 | 1,958,700 | 1,830,900 | 1,938,700 |
| Air Force..... | 3,559,000 | 3,559,000 | 3,329,000 | 3,448,600 |
| Missiles: | | | | |
| Army..... | 580,700 | 580,700 | 550,700 | 565,700 |
| Navy..... | 1,107,300 | 1,107,300 | 1,095,100 | 1,107,300 |
| Marine Corps..... | 14,700 | 14,700 | 14,700 | 14,700 |
| Air Force..... | 2,177,000 | 2,177,000 | 2,101,200 | 2,177,000 |
| Naval vessels: Navy..... | 2,310,000 | 2,344,000 | 2,159,600 | 2,159,600 |
| Subtotal..... | 12,229,500 | 12,363,500 | 11,552,400 | 11,915,200 |
| Research, development, test, and evaluation: | | | | |
| Aircraft: | | | | |
| Army..... | 82,148 | 82,148 | 79,748 | 79,748 |
| Navy and Marine Corps..... | 204,183 | 204,183 | 198,083 | 198,083 |
| Air Force..... | 322,986 | 686,686 | 676,986 | 676,986 |
| Missiles: | | | | |
| Army..... | 576,601 | 576,601 | 550,301 | 559,301 |
| Navy and Marine Corps..... | 590,133 | 590,133 | 572,433 | 572,433 |
| Air Force..... | 1,060,132 | 1,060,132 | 1,028,332 | 1,028,332 |
| Naval vessels: Navy..... | 293,008 | 293,008 | 284,208 | 284,208 |
| Subtotal..... | 3,129,191 | 3,492,891 | 3,399,091 | 3,399,091 |
| Total..... | 15,358,691 | 15,856,391 | 14,951,491 | 15,314,291 |

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. DIRKSEN. What was the manner in which the RS-70 was finally treated?

Mr. RUSSELL. It was retained in the bill. Both bodies had agreed to the sum of \$363.7 million to be earmarked for the RS-70's. That item was not in conference.

Mr. DIRKSEN. So both Houses have agreed to it?

Mr. RUSSELL. It is in the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE MEETING DURING SENATE SESSION TOMORROW

On request of Mr. MANSFIELD, and by unanimous consent, the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices of the Committee on Agriculture and Forestry was authorized to meet during the session of the Senate tomorrow, to consider dairy legislation.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, May 13, 1963, he presented to the President of the United States the enrolled joint resolution (S.J. Res. 39) designating the week of May 20-26, 1963, as National Actors' Equity Week.

RECESS

Mr. MANSFIELD. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 24 minutes p.m.) the Senate took a recess until tomorrow, Tuesday, May 14, 1963, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 13, 1963:

Robert C. Strong, of Pennsylvania, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Iraq.

IN THE NAVY

The following-named midshipmen (Naval Academy) to be permanent ensigns in the line of the Navy, subject to the qualifications therefor as provided by law:

Bruce W. Gunkle
Gerard G. Johnson
Roy L. Welch

Traian Benchea (midshipmen, Naval Academy) to be a permanent ensign in the line of the Navy (special duty communications) subject to the qualifications therefor as provided by law.

The following-named Naval Reserve Officers' Training Corps candidates to be permanent ensigns in the line of the Navy, sub-

ject to the qualifications therefor as provided by law:

Louis J. Boos
Alvin L. Franson
Jerry D. Gilbert

The following-named Naval Reserve Officers' Training Corps candidates to be permanent ensigns in the Supply Corps of the Navy, subject to the qualifications therefor as provided by law:

| | |
|-----------------------|---------------------------|
| Charles L. Actis | Charles R. McCall |
| Richard D. Arendt | Thomas M. McGinnis, Jr. |
| James J. Bell | |
| Thomas M. Bettridge | Jerry L. McIntyre |
| James T. Black | James M. McMonagle |
| Paul R. Boone | Walter J. Maurer |
| Gene S. Brown | Charles E. Meador |
| Thomas E. Brown | Gerald B. Mundy |
| Joseph R. Bunch, Jr. | Charles G. Murphy |
| David E. Butler | James J. O'Donnell |
| William P. Carter | Bruce A. Phillips |
| David L. Cutter | Richard W. Rew |
| Bruce E. Douglas | William J. Roberts |
| James E. Foust III | Edward L. Romig |
| Richard E. Garabedian | David O. Rutherford |
| William W. Hankins | Christopher C. Schuller |
| Charles A. Hart | Robert A. Severance |
| Joseph F. Hering | John E. Sockwell III |
| Frederick E. Hopper | Rheuble A. Spring |
| George R. Hundelt | Robert M. Strickland, Jr. |
| Thomas M. Kanaley | |
| James D. Kaufman | Joel K. Swint |
| Gary J. Kunkle | James F. Tonjum |
| James R. Larson | John J. Tracy |
| Clarence M. Lawryer | William T. Wilkens |
| Paul M. Lehner | Joe R. Stafford |
| Harold G. Lutz, Jr. | Raymond H. Schudder |

The following-named Naval Reserve Officers' Training Corps candidates to be permanent ensigns in the Civil Engineer Corps of the Navy, subject to the qualifications therefor as provided by law:

| | |
|------------------------|---------------------------|
| Edwin R. Barnes | Thomas C. McKee |
| Kenneth P. Bataille | Richard L. Myers |
| Garnett F. Bedenbaugh | Evangelos C. Orfanedes |
| Gary E. Bremer | David H. Ross |
| Lee W. Buckwalter | Terry V. Rankin |
| Eugene J. Clancy | James Y. Robinson, Jr. |
| Robert L. Davis | Roger G. Schroeder |
| Kenneth E. Hendrickson | Dennis R. Slaughter |
| Peter G. Julliano | Robert L. Snyder |
| Kenneth C. Kelley | John F. Thimes |
| John C. McKenna | Wilfred J. Vaudreuil, Jr. |

Philip M. Young (Naval Reserve Officers' Training Corps candidate) to be a permanent ensign in the line of the Navy (engineering duty), subject to the qualifications therefor as provided by law.

The following-named graduates from Navy enlisted scientific education program to be permanent ensigns in the line of the Navy, subject to the qualifications therefor as provided by law:

| | |
|------------------|----------------|
| Louis N. Andaux | Rex E. Hunt |
| David J. Coker | Robert F. Ward |
| Bobby V. Hassler | |

The following-named (Naval Reserve officers) to be permanent lieutenants and temporary lieutenant commanders in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law:

Joseph P. Kerwin
Philip I. Wagner
Herman P. Wintrich

The following-named (Naval Reserve officers) to be permanent lieutenants in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law:

| | |
|------------------------|----------------------|
| Raymond F. Austin, Jr. | Richard J. Cavallaro |
| | Robert B. Faust |

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued May 15, 1963
For actions of May 14, 1963
88th-1st; No. 71

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HIGHLIGHTS: Senate debated food grains bill. Sen. Bartlett expressed concern over effects of radioactive fallout on food supplies. House agreed to conference report on supplemental appropriation bill, and insisted on disagreement to one Senate amendment. House subcommittee voted to report bill to extend Reorganization Act. Sen. Miller introduced and discussed bill to make certain farming areas eligible under (Highlights continued on Page 6)

SENATE

1. **FEED GRAINS.** Continued debate on H. R. 4997, to extend the feed grain program to 1964 and 1965 crops (pp. 7920-1, 7928, 7948-9, 7966-87). Agreed to a unanimous-consent agreement by Sen. Mansfield to limit debate on amendments to the bill, beginning at the conclusion of the morning hour on Wed., May 15 (pp. 7966-73).
2. **ATOMIC RADIATION.** Sen. Bartlett expressed concern over the effects of radioactive fallout on food supplies, particularly milk, and inserted several items on the matter, including tables on the amount of strontium 89 and 90 and iodine 131 in milk supplies in various areas. pp. 7937-43
3. **LANDS.** The Subcommittee on Public Lands of the Interior and Insular Affairs Committee approved for full committee consideration the following bills: S.1185, with amendment, to authorize an exchange of certain lands between Ore. and the

- C. and B. Livestock Co., Inc.; S. 1204, with amendment, to direct the Secretary of the Interior to convey certain lands to the Kansas Forestry, Fish, and Game Commission; and H. J. Res. 180, to authorize the continued use of certain lands within the Sequoia National Park by a hydroelectric project. p. D. 322
4. ASSISTANT SECRETARIES. Passed without amendment S. 1359, to provide for one additional Assistant Secretary in the Treasury Department. p. 7966
 5. CONSERVATION. Sen. Engle inserted an address by Under Secretary of Interior Car discussing conservation and recreation development in Calif. pp. 7944-6
 6. EDUCATION. Sen. Engle inserted the report and recommendations of the 12th Annual Southwest Conference on social and educational problems of urban and rural Mexican-American youth. pp. 7943-4
 7. ELECTRIFICATION. Sen. Morse inserted an address by Sen. Engle before the American Public Power Assoc. on the role of private electric utilities, "Electric Power as a Public Service." pp. 7926-8
 8. ADMINISTRATIVE PROCEDURE. Sen. Long (Mo.) announced that hearings will be held June 4 and 5 by the Subcommittee on Administrative Practice and Procedure of Judiciary Committee on S. 318 and S. 1466, to provide for the right of license attorneys to practice before administrative departments and agencies without meeting admission requirements of the departments and agencies. p. 7913
 9. DISASTER RELIEF. Both Houses received from the President a report on Federal assistance for disaster relief (H. Doc. 111). pp. 7905, 8018
 10. NOMINATION. Confirmed the nomination of John Prior Lewis to be a member of the Council of Economic Advisers. p. 7906
 11. STOCKPILING. Received from the Office of Emergency Planning a report on the strategic and critical materials stockpiling program for the 6-month period ending Dec. 31, 1962. p. 7906
 12. RESEARCH; INFORMATION. Received from the State Department a draft of a proposed bill "to implement the Agreement on the Importation of Educational, Scientific, and Cultural Materials, opened for signature at Lake Success on November 22, 1950"; to Finance Committee. p. 7906
Received from the Civil Service Commission a proposed bill "to improve the financing of the civil service retirement system"; to Post Office and Civil Service Committee. p. 7907
Received from GSA a proposed bill "to include certain officers and employees of the General Services Administration within the provisions of the United States Code relating to assaults upon, and homicides of, certain officers and employees of the United States"; to Judiciary Committee. p. 7907
 14. TARIFFS. Received from the Tariff Commission the "fourth supplemental report of the Tariff Classification Study." p. 7906
 15. RECLAMATION. Received from the Interior Department a report on the proposed drainage and construction work on the Wellton-Mohawk division, Gila project, Ariz., and a report on the receipt of a project proposal from the Jackson

machine—and to use force where circumstances seem favorable. We face a long-term threat that has been mounting for many years, and will not be suddenly reversed in a few days.

Nor does discord between Moscow and Peking necessarily reduce the threat. In fact, the danger is that in their rivalry both Khrushchev and Mao are under greater pressures to show success in achieving Communist goals. Each is pushed to demonstrate that he is best qualified to preside over the final burial of the West.

Second, at the opposite extreme is a fallacy held by many fine and decent people who let their wishes prevail over their reason. It is that the Soviet challenge will fade away if we will take the lead in what could be called a policy of minus-tit-for-minus-tat.

Recently, for example, some psychologists have developed a mirror-image explanation of Communist behavior. They argue that the Communists see us as we see them. It follows, they say, that if we trust the Communists, they may trust us. Therefore, we should take some unilateral initiatives to quiet their suspicions; they would reciprocate; we would take new steps; and so on.

Of course, this view ignores the fact that diplomacy largely consists of unilateral initiatives designed to produce a desired response by the other side. We have taken a great many initiatives aimed at encouraging tension-reducing, trust-increasing responses by the Soviet Union. Usually the response has been like that of the Russians in frustrating serious and honest discussions on arms control.

But leaving this aside, consider India's experience. No state has tried harder than India to find security by a deliberate policy of inoffensiveness. India has had to learn the hard way, as others have, including ourselves, that expansionist states do not respect weakness. I am sure Mr. Nehru does not relish this on-the-job training program, but it may save others from a similar schooling.

As Reinhold Niebuhr has said: "If the democratic nations fail, this failure must be partly attributed to the faulty strategy of idealists who have too many illusions when they face realists who have too little conscience."

Third, another frequent error is the idea that the problems of today can be dealt with by our hopes for a world order tomorrow.

No one, of course, would deny the attraction of the ideal of the rule of law in international affairs. It is fine for spiritual leaders to hold this goal before us. But, as many of them know, the rule of law is not a practical alternative to the present crisis.

There is at present no body of commonly held legal principles actually practiced and applied by the states of the world. Since 1917 Soviet international lawyers and leaders have held, in effect, that traditional international law is but a capitalistic device and has no validity.

The United Nations is, and should continue to be, an important avenue of American foreign policy. The charter describes the kind of world we hope for, and provides the closest approximation we have to a code of international good conduct. United Nations bodies serve as useful forums of diplomacy and cooperative action, for some purposes.

Obviously, however, the United Nations is not an operational world community capable of enforcing international law. The maintenance of peace depends on the strength and will of those members of the United Nations who want to uphold the charter. In our deeply divided world, peace depends on the power and unity of the Atlantic Community, on the skill of our direct diplomacy, and, most of all, on our own resolve to defend our liberties and, it may be, from time to time on our readiness to use force, if

necessary, to put down an aggressor and lawbreaker.

The United Nations is not a substitute for national policies wisely conceived and administered to uphold our vital national interests. And we cannot subcontract to the U.N. the responsibility for national decision-making.

Fourth, another mistaken idea is that nuclear weapons impose a restraint only on us and not on the adversary.

We are constantly warned that some free world action is too dangerous because the adversary may be provoked and plunge the world into nuclear war. The final logic of this position could be to tie our hands, while leaving the way open to Sino-Soviet initiatives.

Last October we all glimpsed the new dimension in a President's risk taking. Great power and great difficulties go hand in hand. But an American President is not the only one restrained by the knowledge that a miscalculation or unwise move can bring into play the catastrophic weapons. Mr. Khrushchev also is constrained to proceed with some care and to calculate the costs of policies to his own cause.

To say this is not, of course, to argue for impatient action or foolish risk taking. It is to say that in formulating our policies, we should recognize that the adversary is also calculating risks and weighing alternatives in light of their consequences.

Fifth, another persistent illusion is that an armaments buildup leads inevitably to war. A common line of argument goes as follows:

- (1) Arms races have always led to war.
- (2) Disarmament alone will reverse the arms race.
- (3) Therefore, disarmament is the only road to peace.

The conclusion does not follow logically from the premises—and the premises are false. Yet we have all heard arguments that amount to nothing more than this.

It was not an arms race that led to World War II. On the contrary, the failure of the democracies to prepare for war did more than anything else to convince Hitler that he could achieve his goals by force.

It would be nearer the truth to say that peace and security—they are not identical—depend on a certain imbalance of forces, an imbalance which will persuade would-be aggressors not to be.

In theory, disarmament might result in such a power relationship. But a precondition is that the would-be aggressor abandon any idea of pursuing his goals by force, and accept an inferior military position. It is hardly necessary to add that this is not in the cards.

And not just because of Soviet-American relations. At least as serious an obstacle to disarmament is the balance of forces within the Communist bloc. Does anyone suppose that Mao will disarm? Or that the Kremlin will disarm unless Peiping disarms at least as fast?

The great majority of Americans are members of the peace movement in the sense that they want peace. The debate is over means. The debate needs to receive our most thoughtful, honest, tough-minded attention.

And we will keep trying to achieve a system for controlling and limiting arms. But it is a disservice to conjure up visions of catastrophe unless success is achieved in 5 or 10 or 20 years. It does not advance the cause of peace to propound the dogma that every disarmament conference is the last best hope of mankind.

Sixth, another misleading view is that a nuclear test ban will prevent the proliferation of nuclear weapons. We are told that success as Geneva in securing a test ban agreement can stop the spread of nuclear capabilities.

All of us, I am sure, regret that these capabilities are spreading. What if there were—as President Kennedy told us recently there may be 10 years hence—a multiplicity of nuclear powers, each capable of setting off irreparable consequences? I wish this was not the prospect. Certainly efforts to limit the spread of nuclear capabilities deserve attention.

But how could a test ban agreement between the United States, the United Kingdom, and the Soviet Union stop atomic development in China or France? Or in any other country which is able and willing to invest substantial resources in the effort? The answer is that it would not stop it.

Moreover, atomic research and testing are not the only means by which proliferation could occur. Governor Rockefeller has shown considerable realism about a test ban. But a few days ago he publicly—and I believe mistakenly—advocated the sale of nuclear weapons to Western Europe under certain political conditions. If this advice were followed, obviously atomic capabilities could spread without any testing.

Seventh, some people go so far as to hold that any test ban agreement is better than none. The logic of this position is to go on making one concession after another, regardless of whether there is matching evidence of a spirit of reasonable compromise by the other side and regardless of whether the end result is an enforceable agreement.

What we should be after is not just something called a test ban, but a system that will reduce the risks in the world without adding to them. This is not simply a matter of terms which will safeguard against cheating. The principal peril in the test-ban is the danger of Soviet abrogation of an agreement without warning.

I fear that our tactics in the test ban negotiations have gone a long way to harden the general Soviet position and to convince Khrushchev that we may be weak enough in spirit to give way under pressure.

Even some of our good friends abroad are wondering just how really determined is our will to come to their defense in a pinch.

I deeply believe that in national security matters we should act according to an order of national priorities which puts first things first, and second things second. What is really important is to protect our military deterrent—to maintain a position where our deterrent power and our will to use it are credible not only to the Russians but also to our allies. If there is a conflict between a test-ban agreement and a credible deterrent, the deterrent must come first.

To me the order of priority is crystal clear.

Eighth, another widespread illusion is that much of our present difficulty is due to the so-called "military-industrial complex." It reminds me of Senator Nye and the "munitions-makers." We so nearly persuaded ourselves that the munitions lobby had caused World War I that we almost ignored the Nazi threat.

Is there any historical evidence to prove that democratic nations with a large industrial base start wars? I know of none. Certainly, many military conflagrations have been lit by countries which were weak, and did not even have a munitions industry. Others have been started by dictatorships in which a demagogue like Hitler, bent on aggression, had managed to seize power.

Some people talk as though the reason for our big defense program is a conspiracy of some sort between the military and industry—not the Soviet threat.

This recalls an occasion when the Duke of Wellington was approached by a man saying, "Mr. Peabody, I believe." The Duke replied, "If you believe that, you can believe anything."

Obviously, the price of national security these days is high. Obviously, too, this

country has relied chiefly on private industry to do most of the research and build nearly all of the new weapons systems needed for national defense. I don't think any of us would want it otherwise.

Those who think our defense program is unnecessarily large should say where they think it could safely be reduced. Nothing is gained when they attack a vague, undefined "they" by giving them an ominous and conspiratorial label.

In conclusion, let me say this: History does not award its prizes in terms of the merits of one's cause—but in terms of the efficacy of one's efforts on behalf of his cause.

Ours must be the steady spirit in an unsteady world.

Communism thrives on crises and strives to produce them. One of Khrushchev's goals is to break our will. He believes, as Hitler did before him, that we won't be able to stay the course, and that out of sheer frustration, we may make the fatal errors that will fulfill his prophecy of a funeral for the West.

But Khrushchev has forgotten something. As someone put it, "The first essential of a quiet funeral is a willing corpse," and we and our allies are certainly not that.

The frightened and frustrated few may make the most noise—and in our free society we are all free to make as much noise as we can. It is our tradition to tolerate extremists of many hues. But it is also our tradition not to follow them.

The future of the Nation and of individual liberty depends on the calm, sensible, and level-headed. Our forefathers kept their wits about them, their heads clear, and their powder dry, and I am confident that we will do the same.

ONE HUNDRED FIFTH BIRTHDAY OF MRS. AMANDA J. STEPHENSON, OF KINGSPORT, TENN.

Mr. GORE. Mr. President, a fine Tennessee lady will reach another milestone in her life this week. On Thursday, May 16, Mrs. Amanda J. Stephenson of Kingsport, Tenn., will celebrate her 105th birthday.

Born in the Commonwealth of Virginia in 1858, Mrs. Stephenson's extraordinary life has spanned a period in the Nation's history from the uncertain days preceding the armed conflict between North and South to the ideological conflict between the free world and communism.

Mrs. Stephenson still takes seriously her responsibilities as a citizen and should be an inspiration to all Americans. Despite her advanced years, she still votes in every election. I am pleased to add, parenthetically, that she is a life-long Democrat and my constant supporter.

Mr. President, I am sure that my colleagues join me in extending birthday greetings to this grand lady as she completes her 105th year.

THE FEED GRAIN ACT OF 1963— PROPOSED UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I propound a unanimous-consent request to the Senate, which was objected to yesterday. I am hopeful the objections have been removed. Therefore, I ask unanimous consent that, beginning at the end of the morning hour tomorrow, there be allotted 1 hour to each

amendment, 30 minutes to a side, with the exception of an amendment to be offered by the Senator from Iowa [Mr. HICKENLOOPER], on which there will be 2 hours, 1 hour to a side.

I further ask unanimous consent that, within this unanimous-consent agreement, there be a final vote on passage of the pending measure at 4 p.m. Thursday.

THE VICE PRESIDENT. Is there objection?

Mr. COTTON. Mr. President, reserving the right to object, and I regret that I must do this—I have always tried to cooperate with the majority and the minority leaders, to the very best of my ability, because I realize the difficulty of their tasks, and I respect and regard them so highly—there have been many speeches in the Senate in oratorical language, and many commentaries outside the Senate, to the effect that this Chamber is the last place on earth where minorities have a weapon, and that weapon is free debate.

In my opinion, the bill under consideration works a hardship on the people of my State. I think it is a bill that has to be jammed through so it can be used as an incentive or a whip, whichever term one wishes to apply, on a referendum that is to take place in this Nation next Tuesday.

I do not know how many other Senators may feel as I do, but I am not masquerading under any pretense that I am not willing to avail myself of the rules of the Senate to delay action on a measure that I regard as unwise for the Nation and unfair to the people and the State I represent.

I will be very frank with the majority leader: I would like the opportunity to ascertain whether there are other Senators in this body who feel as I feel—that this once we are justified in taking all the time we need to take, whether it is called constructive debate or filibuster, or whatever term one chooses to apply. Until I have had an opportunity to appraise the situation further, I am constrained to object to the proposed unanimous-consent agreement.

Mr. DIRKSEN. Mr. President, will the Senator withhold his objection?

Mr. COTTON. Yes.

Mr. DIRKSEN. Let me say to my distinguished friend the Senator from New Hampshire that it was the majority leader's hope that perhaps action on this bill could be consummated as of today. Then we bargained a little about Wednesday, and we bargained a little about Thursday, as the estimated time for final passage. I could do only one thing, and that was to confer with the minority members of the Committee on Agriculture and Forestry. The distinguished Senator from Vermont [Mr. AIKEN], the distinguished Senator from Iowa [Mr. HICKENLOOPER], and the distinguished Senator from North Dakota [Mr. YOUNG] were of the opinion, and I shared that opinion, that perhaps, after canvassing the interest and determining how long the speeches would last, and what amendments might be offered, Thursday, at 4 o'clock, would be a convenient time for final passage, with the understanding, of course, that no

amendment would be precluded, and that there would be 30 minutes on a side for each amendment, with the exception of the Hickenlooper amendment, on which there would be an hour a side.

That arrangement appeared to be quite agreeable, and as a result the majority leader advanced this unanimous-consent request yesterday. There was objection, but not for the reason assigned by the distinguished Senator from New Hampshire. The reason then was with respect to including the germaneness provision, because the Senator from New York [Mr. JAVITS] wanted to keep that provision open in case, because of the unpleasantness in certain areas of the country, he might feel impelled to offer an amendment which was not germane.

I understand that, after a discussion of that subject this morning, he will not object and will not press the point. The majority leader, on the basis of that understanding, has now offered his unanimous-consent request all over again.

Mr. MANSFIELD. What the distinguished minority leader has said is correct. On this side I consulted the chairman of the Committee on Agriculture and Forestry and other members of the committee, who are for or against the pending measure, and they indicated to me that a limitation on debate and final vote at 4 p.m. on Thursday would be reasonable, and would meet with their approval. In view of the fact that the distinguished senior Senator from New Hampshire has entered an objection, which he has withheld temporarily, I see no other action that I can take at this time, and shall therefore await the course of events.

Mr. AIKEN. Mr. President, yesterday I had no personal objection to voting on the bill on Thursday afternoon, although I had some qualms lest any subject intervene which would use up all the time so that there would not be much opportunity to present our amendments and to debate fully the feed grain bill, which is now before the Senate.

I fully understand the fears of the senior Senator from New Hampshire, because I realize that poultry growing means a great deal to the people of his State. They feel that the bill is directed at them, with the idea of perhaps getting New Hampshire out of the poultry business eventually. Yesterday afternoon I offered an amendment in behalf of the Northeast Poultry Growers Association, because they are really alarmed. They want to make sure that, in addition to having to pay a much higher price for their feed, which, as I understand it, is one of the principal objectives of the feed grain bill, they would not also be discriminated against in the matter of Government-owned feed. They feel they are discriminated against at present in that certain parts of the country, which are even farther distant from the source of the feed than the New England States, are getting it for a somewhat lower price.

In view of the position of the Senator from New Hampshire, which I can fully understand, living across the river from him as I do—in fact, if Vermont had not

been generous in giving up 35 towns to New Hampshire, the senior Senator from New Hampshire would be a resident of Vermont, instead of New Hampshire—I see nothing to do except to proceed with the debate. I do not know how many speeches are to be made. I know the Senator from Iowa [Mr. HICKEN-LOOPER] wishes to speak.

Mr. DIRKSEN. Mr. President, I want to make one further comment. There was no disposition to be peremptory. That is the reason the minority leader consulted with all Senators on this side of the aisle who had expressed some interest.

I understand that our distinguished colleague from New York does not propose to offer any kind of civil rights amendment to the pending bill. At least that issue has been disposed of.

I commend the distinguished Senator from New Hampshire. He is fully within his rights under the rule. Obviously, he is compelled to protect the interests of one of the dominant enterprises of his State. I compliment and commend him. I wish him to know that this subject was resolved on the basis of an amicable understanding by all of those whom I esteemed to be in charge of the bill on the floor of the Senate.

Mr. AIKEN. Mr. President, I did not know that the feeling in New England was quite so intense until fairly late yesterday afternoon. There is a very heartfelt feeling on the part of the people of New England, especially the poultry producers; and any Senator from Maine, New Hampshire, and probably Massachusetts and Connecticut would be quite vulnerable and culpable if he did not take the part of his poultry-growing constituents, and of the dairy producers too.

Mr. MANSFIELD. I can understand the feeling of the Senator from New Hampshire. Of course he is fighting for the interests of his State, and no one fights harder for New Hampshire than he does. Therefore, I can understand his feeling, even though I hope he will reconsider his objection.

Mr. COTTON. Mr. President, I should like to make it plain that the Senator from New Hampshire is not in any sense suggesting that the leadership on either side of the aisle was making an agreement without due regard to all Members of the Senate. Anyone who knows either of the leaders knows that both of them lean over backward to protect the rights of every Member of the Senate, no matter where he sits.

It so happens that I was required to be in New Hampshire yesterday. Any arrangements that were made were not made with my knowledge or consent. That is perfectly natural, because I had not asked to be informed.

I would also like to make it crystal clear that the objections which I have to the bill are not confined to the fact that I feel it is a bad measure and a dangerous measure to the people I represent. The objections I have to the measure are far more fundamental than that. I believe it represents a type of proposed legislation toward which we constantly have been traveling. Having expressed

my due regard for the leadership in the Senate, I should say that there has been too great a tendency in the Senate of late to enter into unanimous-consent agreements, to rush measures through. If we spent more time in session, and if we had more opportunity to debate these measures, I feel the Senate would be better discharging its duty to the country. I am beginning to wonder if all tears that have been shed about preventing the invoking of cloture are not crocodile tears, because it has seemed to me that more and more frequently we wake up to the fact that a unanimous-consent agreement has been entered into. I want to make it perfectly plain that if I find sufficient opportunity to debate the bill and to offer amendments to the bill, I will have no intention of objecting to fixing a time for voting. If I cannot find sufficient support, and if it becomes a hopeless task, I will still want an opportunity to have a few things to say about the bill sometime during the debate.

For the present, I am compelled again to state my objection to the proposed unanimous-consent agreement.

THE FEED GRAINS BILL—CIVIL RIGHTS AMENDMENTS

Mr. JAVITS. Mr. President, yesterday there was debate on the floor in regard to the feed grains bill and the possibility that I might submit to that bill an amendment on the civil rights issue. At that time I caused objection to be made, in order to keep the door open for such an amendment.

I now make the following statement on that subject: The culmination in Birmingham, Ala., of swift-moving events which have given such cause for alarm makes it essential that Congress carry out its responsibilities to the Nation in connection with civil rights legislation. I am convinced that the key piece of civil rights legislation under present conditions is one giving the Attorney General authority to sue in representative civil cases to safeguard by court order the rights of U.S. citizens under the 14th amendment to the Constitution, which also includes the right of peaceful assembly and petition under the 1st amendment.

To offer such an amendment to the pending feed grains bill would, I am convinced, tend to shatter, rather than to cement, the bipartisanship which is so essential to the passage of the proposed civil rights legislation I have described; and I am therefore, foregoing the opportunity to offer such an amendment to the feed grains bill.

However, I am joining my colleagues of both parties in urging the administration's espousal of such a civil rights measure on a high priority basis. We will not see an end to the dangers of violence and racial conflict unless some peaceful means of expression and redress of grievances is available to Negro citizens. The Congress can and must make its contribution for that purpose. I shall join with other Senators, and reserve the right individually to move amendments myself, in seeking action

by suitable amendments to pending bills or original legislation, as the opportunity to do so is presented.

I recall to the Senate that such an amendment was recently presented on the supplemental appropriations bill in relation to the Farmers' Home Administration appropriation, and will be presented on other appropriation bills and measures of general legislation.

Let no one interpret this decision on the feed grains bill as avoiding a showdown on this crucial national issue. The showdown must and will come on the Senate floor, and every Member of this body will have an opportunity to stand up and be counted on this epic domestic struggle for equal justice under law, which dominates our age.

DEATH OF FEDERAL JUDGE ALEXANDER BICKS OF THE SOUTHERN DISTRICT OF NEW YORK

Mr. JAVITS. Mr. President, I call attention to the decease in New York of one of our most distinguished judges, Judge Alexander Bicks, at the early age of 62. He was one of the early appointees of President Eisenhower. Judge Bicks made an extraordinary record. It is also a great tribute to our Nation that Judge Bicks, who was born in Russia and was brought to this country as a child, rose to such high office and great distinction in our community.

I ask unanimous consent that the obituary notice in respect to Judge Bicks be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 10, 1963]

ALEXANDER BICKS, JUDGE, 62, IS DEAD

Federal Judge Alexander Bicks of the Southern District of New York died yesterday in University Hospital at the age of 62. He lived in 965 Fifth Avenue.

Nominated for appointment to the Federal bench by President Dwight D. Eisenhower in April 1954, Judge Bicks was sworn in on June 10 that year. He was known as a humane and understanding jurist.

One of the better known cases that came before him was that of six second-string Communist leaders, who were convicted of conspiracy and sentenced by him for from 1 to 5 years in prison in 1956. The convictions were reversed by the U.S. Court of Appeals later that year.

Another case Judge Bicks handled was that of the narcotics conspiracy trial of Vito Genovese, sometimes called "king of the rackets," and 13 other men and 1 woman.

Judge Bicks sentenced Genovese in 1959 to 15 years in jail and gave the others sentences ranging from 5 to 20 years each.

BORN IN RUSSIA

The jurist was born in Russia and was brought to this country as an infant. He received his law degree at New York University in 1922 and was admitted to the bar in 1924. He specialized in corporate and real estate law and was a founder of the Practising Law Institute, where he became an instructor in real estate law.

Before his appointment to the bench Judge Bicks was active in several political campaigns as a Republican. He was a member of the Ninth Assembly District Republican Club, the City Bar Association, and the New York County Lawyers Association.

Judge Bicks leaves his wife, the former Henrietta Isaacson; two sons, Robert A. and David P. Bicks; and four grandchildren.

A funeral service will be held for Judge Bicks at noon on Sunday at the Central Synagogue.

GERMAN-AMERICAN RELATIONS UNDER THE FRANCO-GERMAN TREATY

Mr. JAVITS. Mr. President, in view of our deep interest in the application to German-American relations of the Franco-German treaty, which was concluded between Chancellor Adenauer and President de Gaulle, and the light cast upon that treaty in a speech made here by Heinrich von Brentano, the distinguished majority leader of the West German Bundestag and former foreign minister of the Federal Republic, I ask unanimous consent that the speech be printed in the RECORD at this point in my remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE FRENCH-GERMAN TREATY

I am very glad to have this opportunity to speak with you again during this short visit to the United States.

There was no special reason or purpose for my trip. I came here to talk over with old friends our common concerns and tasks. In doing so I have gained the impression that I chose the right time.

Here in the United States the signing of the German-French treaty has given rise to doubt and concern which I sincerely regret. Now, at the conclusion of the conversations I have had here, I feel that I can say that I have been successful to a large extent in dispelling these concerns.

It is precisely here in the United States that we have always found a favorable and understanding response to German efforts to reach a final understanding in French-German relations and to create the basis for genuine and lasting friendship in place of tension and national rivalries. You may rest assured that the French-German treaty which was signed in Paris on January 22, 1963, was intended to serve this goal alone and that we have no other motives in concluding this treaty.

My political friends and I are steadfastly resolved to advance the policy of European integration begun by our efforts to establish the Coal and Steel Community, the European Economic Community, and Euratom. Again and again during the past few years we have called upon other European countries, particularly Great Britain, to participate in these efforts to unify Europe. That is why we so heartily welcomed the decision of the British Government to participate in the efforts directed toward European unification. Following the interruption of negotiations with Great Britain, the Federal Republic will continue its efforts to have Great Britain accepted as a member of the Common Market with all the rights and responsibilities connected with such membership.

We feel that the content and spirit of the Rome treaties obliges us to do this. Beyond this we feel that there can be no pause in the process of European unification. And we are convinced that only through the unification of Europe can we create the basis whereby we can make the bold concept of the American Government a reality tying a strong and unified Europe to your continent by means of an insoluble Atlantic partnership. We have already encountered many setbacks on the road to European unity. Setbacks of this kind have not caused us to

quit; they have simply strengthened our political will.

The French-German treaty will exercise just as little influence on the Federal Republic's policy toward NATO. We are convinced that this mighty alliance of the free nations of the world must be developed further. The Federal Republic did not hesitate one moment in accepting the proposal of the American Government to create a common multinational or multilateral nuclear striking force within the framework of NATO. We want to make this concept a reality in order to strengthen the defensive strength of the free world. In doing so our concern is not to take over rights but rather it is solely to assume additional responsibilities.

There can be no doubt over the relations between Germany and the United States either.

The close friendly working relationship with this, the greatest of all nations of the free world, a relationship which is based on mutual trust, is the unalterable mainstay of German foreign policy. My conversations here in Washington have again confirmed how deep rooted is the unanimity which has grown between these two countries in the last decade.

We Germans know the efforts that the American Government and the American people have made. We know that we could never have carried out the reconstruction of our economy and our social and political life without the generous support of the United States. We know that the idea for the Atlantic Alliance system originates here in the United States and that the United States transformed it into reality. We know that, thanks to the policies of the United States, the 55 million Germans in the Federal Republic and in Berlin are able to enjoy the guarantee of a life in freedom. And we know too that only in cooperative arrangements of mutual trust with the United States and all the other partners of NATO can we protect and defend this freedom. Beyond this we know that the hope of the 17 million Germans in the Soviet-occupied zone—the hope for the restitution of their civil and human rights—can only be realized within the framework of such relationships.

The German people have made an irrevocable decision. In the struggle with the world communism there is no refuge to be found in a world devoid of moral values. There can be no middle ground between freedom and slavery, between justice and injustice. We would be sorely offended to find someone who doubted this position.

All with whom I talked I found to be convincing and sincere in their desire to continue this common policy. On Sunday I will leave your country with the firm conviction that the United States and the Federal Republic, the American and the German people, are conscious of their common high responsibility and that they must make their decisions, regardless of what areas they affect, in the knowledge that we are responsible for guaranteeing the freedom and human dignity of each individual citizen who has placed his trust in us—and I mean to include those of like mind who live beyond our borders.

In the past few years Germany has gained in strength and influence, thanks to the consistent pursuit of this idea. On behalf of my political friends and the whole German people I say to you today that we will not depart from this concept. And this is also the best way in which we can give expression to our recognition of and gratitude toward the efforts of the American people.

THE WAR OF WILLS

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed

in the body of the RECORD an article entitled "The War of Wills" by Maj. Gen. Henry Cabot Lodge, Jr., USAR, which appeared in the May issue of Army magazine.

This thoughtful article by my good friend and former colleague in the Senate touches on matters of concern to all Americans. General Lodge is eminently qualified to write on a subject such as this because of his wide and varied experiences. As a military man having served with the 7th Army during World War II where he was charged with the responsibility of maintaining liaison with the French, and also as an active member of the U.S. Army Reserve, he brings to this a unique capability, not only because of his former service in the U.S. Senate, but also as a deeply concerned citizen of the United States. For this reason I am pleased to bring this article to the attention of the Senate.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE WAR OF WILLS

(By Maj. Gen. Henry Cabot Lodge, Jr.)

Recently I completed a 2-week briefing in the Pentagon, as a member of the U.S. Army Reserve. I came away greatly impressed with the imagination and inventive spirit of the men who are running the show. The everyday citizen would be gratified if he could see our professional military leaders so free from ritualism. There could be no group more determined not to get into a rut, not to spend their time fighting the last war, or more eager to prepare America to emerge victorious from whatever eventual dangers may arise. The new weapons alone, ranging from a pin-size dart, which can penetrate thick steel, to an antimissile missile, which can neutralize nuclear attack, compel admiration and confidence.

All three services are indispensable and deserve the gratitude and support of all Americans. The leaders of all three inspire confidence. My recent experience, naturally, impressed me in particular with the fact that the Army gives us the chance to win without worldwide annihilation, to survive without surrender. "We must not," to use President Kennedy's excellent phrase, "be in a position of having to answer every threat with nuclear weapons or nothing."

If, at the time of the Cuban crisis last October, for instance, we had faced the alternative of either unleashing all-out nuclear war with a hundred million American dead on the one hand, or submitting to the Soviet domination of Cuba on the other, we could properly have criticized those responsible for allowing us to get on such a desperate spot.

Instead, however, we had, in addition to the photographic flights of the Air Force and the quarantine by the Navy, the presence of an armored division brought from Texas to Florida and obviously capable of going ashore if the need arose, in addition to the infantry and airborne troops which were also ready. This certainly showed Chairman Khrushchev that he did not have us impaled on the sharp horns of the dilemma of either doing nothing or else bringing on world war III. Thanks to the Army, we can defend our vital interests without wiping out millions of American homes.

It is impressive that when times get dark in Berlin, the President orders out the Army Reserve, or that when communism threatens in southeast Asia, Army personnel go to Vietnam.

If in Europe we want to avoid all-out nuclear war in the future—and also to refuse

With this guidance, I might be able to conclude my address in a paragraph or so. The fundamental idea of this convention—the keynote of the American Public Power Association—is the same as that of the Congress—public service.

However, I won't sit down just yet. Because I want to pursue this fundamental idea a bit further.

I want to examine the relationship of electric power to public service and define some of the other terms we commonly deal with in this business. I mean terms such as "public utility," "private utility," "privately owned public utility," or as the private companies prefer to call themselves these days, "investor-owned utility."

Public service means serving all of the people, to the fullest possible extent—not just some of the people, or a privileged segment of the people, or some special interest group.

In this business of providing electric power service there really is no such thing as a private utility. By their very nature all electric utilities are public in purpose, or should be.

Electric service in America today is essential to our public economy, our public health and public life in general. This service is essential regardless of who owns and operates the utility.

And here we come to the fundamental distinction between public power and private power. It is a distinction of ownership and management. Let us ask ourselves the question of what difference, if any, that distinction makes to the people. I think the evidence is clear that it does make a difference.

One of our best clues comes from the companies themselves. They don't like the expression "privately owned utility" any more. In their advertising and publicity they describe themselves as "investor owned." To me the emphasis on the term "investor owned" reveals where their major interest lies.

Is it with the people—the consumers of electric power? No.

According to the private owners themselves, their primary concern is with their own investors.

Now there is nothing wrong with private investment, which I respect, or with private profit on private investment. I'm not flinging any charges; I'm merely comparing objectives. But I do believe that in public service, which embraces the entire electric utility industry, the general public interest which is the consumer interest ought to come ahead of the investor interest.

I regret to say it does not, so far as many privately owned utilities are concerned. The evidence is not confined to their advertising. It has been clear for many years in their high rate schedules and profits. And they have waged constant political warfare on public power projects.

The Government cannot be looked upon as an intruder in the field of generation and transmission. As Secretary of the Interior Udall stated some months back: "The fact that investor-owned companies must obtain licenses, permits, and franchises from governmental agencies is evidence of the fact that supplying power is a governmental responsibility and has been accepted as such for a good long time."

More than a half a century ago the Congress enacted legislation establishing the time-honored preference clause which has been and continues to be the foundation of existence for many of the systems represented here today. Because of this governmental action dating back to April 16, 1906—known as the Town Sites and Power Development Act—those of you in areas covered by the Federal power marketing agencies are able to obtain power at reasonable rates for prolonged periods of time.

You can plan ahead to meet the future without the vagaries of sudden contract cancellation or rate increases that might otherwise hamper your operations.

One more difference I want to tie down a bit is the term "private enterprise." I am all for it, just as I am for private profit. But I reject the implication that enterprise is exclusively a private reserve. Or that public enterprise is suspect. Public enterprise also has rights in public service. You people, too, can be enterprising without becoming socialistic.

To be specific, a field in which public enterprise ought to have precedence all the way from producer to consumer is in our great multipurpose river projects.

Given the responsibility for flood control, for irrigation, for municipal water supply and other public purposes, our Federal and local public agencies quite properly take on the burden of building multipurpose projects, many of which also produce electric power.

Fine, say our private power friends. Let the Government build the big dams and canals and pumping plants. We will gladly cooperate. Then in a magnanimous display of enterprise, the private companies offer to take on the responsibility of building and operating the electric power features.

Is their objective here lofty public service? Are they being philanthropic?

I don't have to tell this audience that it is the dams and water supply structures that are the more costly components of our river basin projects—components which the people must pay for.

But it is the powerplants and the transmission lines which produce the most revenue. Well, cooperation is fine, and partnership may be too if it is genuine. But this particular brand of partnership between Government and business—which in essence is, you build the dams, we'll handle the power—is obviously good business if you can get it, but it isn't good government.

On the Central Valley project in California, with which I have been intimately connected for the 20 years I have been in Congress, we rejected the private partnership power proposals. We held on to the electric power as an integral part of the project.

What has been the result? The result today is that the Central Valley project so far has returned to the U.S. Treasury a net operating income of \$106 million, 77 percent of which has come from electric power—and low-cost power at that. Irrigation repayment has accounted for about 20 percent; municipal and industrial water sales 3 percent. Obviously, in western reclamation, power is the paying partner.

Especially power transmission lines—more and more they are the key. In the technology of moving electric power we have reached the point where interstate transmission systems have just as much impact nationally upon the conservation and utilization of our power, our water, and our fuel resources as does the operation of the electric plants themselves.

New techniques make it possible to economically transmit large quantities of electric power at extra high voltages for distances of a thousand miles or more. That is why I believe the Federal Power Commission should have the authority, which it now lacks, to regulate interstate high-voltage lines.

I have introduced a bill (S. 350) to provide for FPC regulation of the construction and operation of interstate transmission lines of 230 kilovolts or higher. Senator BURDICK, of North Dakota, is a cosponsor. Congressman JOHN MOSS, of California, has introduced an identical bill (H.R. 2101) in the House.

Our bills contain a provision to require that such high-voltage lines be operated as common carriers to the extent that capacity may be available. This legislation is con-

sistent with an in effect an extension of the Federal regulation recently put in effect by the Department of the Interior and the Department of Agriculture with respect to the granting of rights-of-way for non-Federal transmission lines over Federal lands.

I commend Secretary Udall, who is here today, and Secretary Freeman for reinstituting this sensible rule which, for no good reason, was rescinded by the prior administration in 1953.

We are on the verge in this country of a great program of transmission line interconnections. A major intertie is proposed on the west coast to link the Columbia River power system in the Pacific Northwest with the Central Valley project system and the Colorado River system in California.

To start building this intertie, President Kennedy's fiscal 1964 budget includes \$24½ million, divided between the Bonneville Power Administration and the Bureau of Reclamation. I solicit your support for these two budget items which will come up in the regular public works appropriation bill.

The essential issue in this intertie program is, Which agency or group shall control power rates and power utilization? In other words, who shall control the transmission? Should it be the Government or the private companies?

A combination of four private companies in the West has announced a counterproposal to build a private west coast intertie. They have selected four specific public agencies that they would be willing to serve, at prices and terms that are not disclosed. Their scheme would exclude all other public agencies, including the Federal Government and all Central Valley project customers except one. The private line between the Pacific Northwest and the Southwest would not be a common carrier.

But on the Columbia River, in the Central Valley, and on the Colorado River the Government has built the big dams—multipurpose dams. The Government ought also to build and control the transmission intertie between them. As I have put it, whoever owns the store ought also to own and control the cash register.

I do not suggest that the private companies be barred from participation. They will not be under the common carrier intertie plan that is proposed in the President's budget. They participate substantially already in power service from Bonneville, from the Central Valley project, and from the Boulder Canyon project. They can continue to participate when these great public projects are publicly interconnected. Everybody will benefit, provided the public interest is protected by Government control of the interties.

I will give one example of the benefits of the west coast intertie. The people of my State voted a bond issue of \$1,750 million to build the great California water project. This is a State, not a Federal project. But the deputy director of the California Department of Water Resources estimated last December that a Federal west coast intertie would reduce pumping costs of the State water project by some \$37 million annually.

The calculation comes from comparing current Bonneville rates, plus 1 mill for transmission, with current private company rates in California. Furthermore, he said such a reduction in power costs could bring a corresponding reduction in water costs of more than \$10 per acre-foot for water delivered in southern California.

These savings border on the sensational. And it is just one example. Benefits would flow both ways on the west coast intertie because of the complementary hydrology of the Columbia River and the shorter California rivers. The benefits are worth fighting for. They can come out of the intertie cash register. They represent another com-

elling reason why you and I should support the administration's public intertie plan as against the various private proposals which seek transmission control—cash register control.

We need men of courage and vision to cope with the demanding challenges that lie ahead in this nuclear age. The American Public Power Association is fortunate to have the leadership of men who have tolled tirelessly for these things in which you and I believe. The essential requirement—the keynote, as I said in the beginning—is our faithful dedication to public service.

FEED GRAINS BILL WILL SERVE THE NATION AS WELL AS FARMERS

Mr. YARBOROUGH. Mr. President, freedom to plan for profitable harvests is a feature of this feed grain program, and helps explain the widespread support for it in Texas. Freedom to plant the best adapted grain, the grain most in demand, the grain of the farmer's personal choice is provided. The possibility of making a greater profit, the opportunity to participate with others in adjusting our grain supplies to market needs are, in this feed grain program, the only elements of compulsion.

For this is truly a voluntary program. No feed grain producer has to come into the program. If a farmer desires to continue, or to begin to plant corn, grain sorghum, barley, oats, and rye from fence to fence in his fields he is free to do so. He will not be penalized.

But if he chooses to take part, and to continue the good work begun in 1961 and 1962, and continuing this year, he may do so with the assurance of 3 years of successful operation of similar programs.

The man who grows both wheat and feed grains will find the 1964 wheat programs and the 1964 voluntary feed grain program afford him the new flexibility he has long desired in working with other farmers to successfully meet market needs and opportunities. The substitution clause of the wheat program, which provides that acreages of grain may be freely interchanged will be in effect for the farmer who chooses to take part in both programs.

Wheat may be grown on feed grain acreage that is not diverted. Or feed grain may be grown on the wheat allotment. This is a practical measure. It has been requested by farmers themselves. It can work to their advantage by making it possible to grow the best adapted grain, or the grain for which there is the greatest need in a particular area. I believe many farmers will see the merit of this provision, which will result from providing practical programs farmers can understand.

This feed grain bill should be passed prior to the May 21 wheat referendum vote so the farmers will be assured of a wider range of planting choice for next year. A yes vote in the wheat referendum would mean approximately \$42 million more income to Texas farmers next year.

It is important that we realize, however, that this interchange of wheat for feed grain acreage, or feed grain acreage for wheatland, will not bring about an

imbalance in grain production. Which-ever grain is chosen for planting and harvest will be grain produced in place of, not in addition to, grain that would otherwise have been produced. Total grain production—with diversion of land through both programs—will not be increased. Supplies in the Government's hands can continue to be reduced in an orderly manner to a level we can expect to meet the needs of any emergency.

Grain sorghum producers in various parts of Texas are concerned that this important legislation be passed and become a public law. I have heard from all quarters regarding the 1961 and 1962 feed-grain programs, and there is overwhelming support for extension of the program.

Grain sorghum, of the highest quality, is the principal feed grain grown in Texas and I would, therefore, like to point out a few factors in relation to that important crop. The price support for grain sorghum in 1962 was \$1.93 per hundredweight. That support price went to \$2 in 1963. The support price of corn is up to \$1.25 per bushel in 1963, 14 cents higher than in 1960. Since 1960 feed grain in Government storage have been reduced 28 percent, with a consequent savings in insurance and storage charges. The 1961 feed-grain program alone reduced corn in Government storage by 368 million bushels. The 1962 program continued this reduction by 340 million bushels and preliminary reports and estimates indicate that feed grain stocks will be further cut by the 1963 feed-grain program. It is almost redundant to point out to this great body that reduction of Commodity Credit stocks have cut the cost of shipping and handling to the Federal Government.

Agricultural income in Texas is approximately \$2½ billion a year. More than one-third of our people in Texas earn their living in agriculture and related industries directly dependent on agriculture.

Mr. President, the feed grain problem can be reduced to a fairly simple statement—the need for bringing supply into balance with the demand.

I would like to summarize five important objectives of the legislation now pending:

First. To increase farm income and reduce Government stocks.

Second. To assure consumers of continued fair and stable prices for meat, poultry, dairy, and cereal products.

Third. To afford producers the means of growing needed quantities of feed grains without risk of overproduction which in itself depresses prices to farmers and increases storage costs to the taxpayers.

Fourth. To further reduce current feed grain stocks to the level of an adequate safety reserve.

Fifth. To strengthen the historic national objective of a strong system of owner-operated family farms.

In Texas, as in many other areas of this great United States, farm income is far too low. To that end, I should like to quote you a statement from the executive committee meeting of an old and

respected farm organization that originated at Point Texas, in 1902, the National Farmers Union:

Farmers everywhere should join forces this year to work with responsible farm organizations and farmers' friends in Congress and the administration to insure a prosperous and stable agricultural and national economy.

REPORT OF BOARD OF VISITORS TO U.S. NAVAL ACADEMY

Mr. CASE. Mr. President, I have had the honor of serving on the Board of Visitors to the U.S. Naval Academy for 1963. Our final report has now been submitted to the President. Because of the general interest in this subject in Congress, I ask unanimous consent that the full text of this report be printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT OF THE BOARD OF VISITORS TO THE U.S. NAVAL ACADEMY 1963

THE BOARD OF VISITORS TO THE U.S. NAVAL ACADEMY, 1963, APPOINTED BY THE PRESIDENT

Mr. Thomas J. Deegan, Jr., chairman, Thomas J. Deegan Co., Inc., New York, N.Y. (term expires December 30, 1965).

Mr. David J. McDonald, president, United Steel Workers of America, Pittsburgh, Pa. (term expires December 30, 1963).

Dr. Edgar F. Shannon, Jr., president, University of Virginia, Charlottesville, Va. (term expires December 30, 1964).

Mr. Stanley M. Stafford, chairman of the board, Fidelity Bank, Beverly Hills, Calif. (term expires December 30, 1965).

Mr. Guy Stillman, consulting engineer, Phoenix, Ariz. (term expires December 30, 1963).

Mr. William H. Vanderbilt, real estate development, former Governor of Rhode Island, Chestnut Hill, Mass. (term expires December 30, 1964).

APPOINTED BY THE VICE PRESIDENT

Senator E. L. BARTLETT, of Alaska.

Senator J. GLENN BEALL, of Maryland.

Senator A. WILLIS ROBERTSON, of Virginia.

APPOINTED BY THE SPEAKER OF THE HOUSE

Representative DANIEL J. FLOOD, 11th District of Pennsylvania.

Representative ELIZABETH KEE, Fifth District of West Virginia.

Representative WILLIAM E. MINSHALL, 23d District of Ohio.

Representative K. W. STINSON, Seventh District of Washington.

EX OFFICIO MEMBERS OF THE BOARD¹

Senator CLIFFORD P. CASE, of New Jersey.
Representative OTIS G. PIKE, First District of New York.

REPORT

ANNAPOLIS, Md.,

March 15, 1963.

THE PRESIDENT OF THE UNITED STATES.

SIR: The Board of Visitors to the U.S. Naval Academy convened at Annapolis on Monday, March 11, 1963, and continued its deliberations until Friday, March 15. Mr. William H. Vanderbilt was elected Chairman and Comdr. Richard T. Lyons, Secretary; Lt. Comdr. Paul D. Lawler and Dr. W. S. Shields served as Assistant Secretaries.

¹ The chairman of the Committee on Armed Services of the Senate and the chairman of the Committee on Armed Services of the House of Representatives, or their designees, are, by law, ex officio members of the Board.

some improvements in the situation of relatives of American citizens.

This year, under the leadership of Senator PHILIP A. HART, of Michigan, and with the solid backing of the administration, we are making a major effort to reform our immigration laws across the board. On February 7th of this year I was happy to join with Senator HART and 34 other Senators in cosponsoring S. 7474.

This bill would provide for the annual admission of 250,000 immigrants, more than doubling present quotas. It would end discriminatory quotas and substitute a new formula based on equality and fair play. It would foster the reuniting of families by extending nonquota status to relatives of certain U.S. citizens and to the immediate families of immigrants with special skills. It would eliminate needless obstacles to the admission of persons who possess skills that are urgently needed here. And it would provide a continuing program for the yearly admission of 50,000 refugees or escapees without regard to quota areas.

To give you some concrete examples of the effect of this bill, it would raise the annual quota for Greece from 308 to 3,500; for Hungary from 865 to 4,500; for Italy from 5,700 to almost 16,000; for Latvia from 235 to 2,300; for Poland from 6,500 to 14,000; for Portugal from 438 to 1,900; for Israel from 100 to 810.

I am hopeful that we will make progress with this legislation during the 87th Congress. As a result of the election of 1960 and 1962, the makeup of the Senate Judiciary Committee, which passes on immigration matters, has been significantly changed. There is now a majority of members on the committee, including myself, in support of a more liberal policy and I am convinced that if we hammer away, as I am sure we will, we will get the Hart bill out on the floor of the Senate, and it will pass.

In the meantime, I am going to reintroduce my several immigration bills each of which deals with a part of this problem.

If we do not achieve a total solution, and I hope that we will, we must press on and achieve what we can, piece by piece.

It is inevitable that when we talk about immigration bills we talk in terms of numbers and statistics. Yet we all know that each statistic represents a compelling human problem. I am constantly reminded of this by the letters that come across my desk each day.

I would like to briefly cite to you three such examples, each of which prompted me to introduce a private immigration bill to overcome the harshness of present law.

One such case involved a young Italian boy living in Calabria, Italy. His natural parents were physically handicapped, the father by epilepsy, the mother by blindness, and they were therefore unable to care for him and to provide for his future.

He was legally adopted by a childless couple from Meriden, Conn., in order that he might come to this country where he could be properly cared for and given a chance in life. Because of the rigidity of our immigration laws this 14-year-old boy was prevented from entering the country. Years passed, and after many disappointments and after every remedy was tried, the couple turned to me. I introduced special legislation which was quickly passed by a sympathetic Congress. Michelangelo, now 18, is presently at school in Meriden, with the same future open to him as to other American boys.

Another case I recall is that of an 18-year-old girl from Cyprus named Evanthis. She is one of six children of a family living on the island of Cyprus whose sole support is the oldest brother, a 20-year-old boy. Her father had died when she was only 2 years old and her mother is almost blind. The poverty of the family had made life very

difficult for the girl. She had to leave school during the eighth grade. And her future seemed even more bleak, since her family was unable to provide the kind of marriage dowry customary in Cyprus, which is essential to a proper marriage under the traditions of the island.

Evanthis has an aunt and uncle in Bethel, Conn., who have a large family of their own but who wanted to adopt her so that she could come to the United States, complete her education, and enjoy the full and rewarding life that is possible for young women in this country.

We found that the immigration quota for Cyprus was already so heavily oversubscribed, that under normal circumstances Evanthis would have to wait for many years. I introduced a private immigration bill which in a short time was unanimously passed by the Senate and is currently scheduled for action in the House.

I am sure that this story will end happily, but what of all the others?

About a year ago, I received a letter from a young man in Danbury, Conn., a disabled veteran of World War II. He told of a visit to Italy in 1954 to settle a family affair during which he met and married a young Italian girl. He had to return to the United States almost immediately after the marriage and his bride was to follow. But because of family difficulties, the girl was unable to leave Italy.

After 3 years Bernard had his marriage annulled by the Superior Court of Connecticut. He never remarried and continued to correspond with Caterina.

In 1961 he returned to Italy and saw her again. In his own words: "Our feeling for each other was still there and she informed me she would be only too happy to join me in the United States."

But now the couple began to encounter what seemed to be insurmountable legal obstacles.

Under the laws of the United States they were not married and Caterina could not, therefore, be admitted as Bernard's wife. But, under the laws of Italy, they were still lawfully married and therefore could not be married again. Nor could they be remarried in another European country.

Bernard closed his letter by saying:

"I don't know where to turn in this moment of my life and I thought that perhaps through your good graces and assistance I may be able to have peace of mind again by being reunited with my wife and I pray to God that you will be able to help me in this time of crisis."

Well, we went to work on this case in Washington. We knocked on doors in the Immigration Department. We introduced a private bill, we knocked on more doors, we got our bill approved by the Judiciary Committee, and then by the Senate, and finally by the House of Representatives.

President Kennedy signed the bill and he was kind enough to send me the pen that he used in signing it. I remember the feeling of satisfaction I had in preparing a letter to this man informing him that all obstacles to his reunion with his wife had been overcome. I quote part of that letter:

"It is a genuine pleasure for me to present you with the pen that President Kennedy used in signing the legislation admitting your wife to the United States."

"I send this to you, not only as a memento of a very significant event in your lives, but as a symbol that should have great meaning for all of us. For it is a reminder that the Government of this Republic, beset though it is with vast national and global problems, is ever ready to pause in its deliberations in order to minister to the personal needs of its private citizens."

"Important as this pen is to you, it is equally important to our country, since it

signifies that the passage of time has not altered the character of free government and that the humblest citizen may yet appeal to his Congress and his President in the confidence that he will receive justice and, indeed, mercy."

Whenever I think about immigration legislation I think of these individual cases.

For there is a unique story behind every immigrant to our shores. The cases which I have cited had a happy ending but there are thousands who are today waiting for entrance into this country, thousands of families still separated, thousands of children whose future is in doubt.

If we can begin to think of these people as individuals, each with a compelling personal story, each with a contribution to make to this country, I think we can build up some steam behind the Hart bill and put some life and zeal into this struggle for immigration reform which has been dragging along lethargically for so many years.

We have a great cause here and all of you who have taken part in it can be justly proud of what you have done. I think we are going to win a major victory during this Congress on the immigration front; a victory for justice, a victory for humanitarianism and a victory for the future of this country.

PROHIBITION ON PRODUCTION OF NUCLEAR WEAPONS AND OFFENSIVE MISSILES IN THE NEAR EAST

Mr. HART. Mr. President, last week I was pleased to join with other Senators in sponsoring Senate Resolution 135, a resolution favoring an agreement among States of the Near East prohibiting the production of nuclear weapons and offensive missiles.

I regret I was not present when this resolution was introduced by the Senator from Minnesota [Mr. HUMPHREY], for I feel this is a most important item of business for the Senate.

The moral and legal obligation of the United States to protect the integrity of Middle East nations is clear. We signed the Tripartite Declaration of 1950. We must not breach this compact.

Our commitment to the world is to do all things possible to maintain peace and encourage the forces of freedom in the face of international communism. This requires constant thought and vigilant action.

The introduction of nuclear arms in this part of the world is a threat to peace. This threat alone requires us to pursue means of prevention.

Unless we are prepared to act on our promises to the Republic of Israel, democratic institutions all over the world will suffer.

Israel, the symbol of a successful free democratic society in an area of oppression and tyranny, must be protected. Passivity is not the answer. We must move now to seek solutions.

Therefore, I wholeheartedly joined in sponsoring this resolution and I endorse the eloquent remarks of the Senator from Minnesota on its introduction.

Mr. MANSFIELD. Mr. President, is there further morning business?

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it recess until 10 o'clock tomorrow morning.

The VICE PRESIDENT. Without objection, it is so ordered.

FEED GRAIN ACT OF 1963

The Senate resumed the consideration of the bill (H.R. 4997) to extend the feed grain program.

The VICE PRESIDENT. The Chair lays before the Senate unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (H.R. 4997) to extend the feed grain program.

The VICE PRESIDENT. The bill is open to amendment.

Mr. McGOVERN. Mr. President, I have given careful study to the feed grain legislation which is before us today. Basically, this pending legislation represents a continuation of the type of voluntary feed grain program which we have had for the past 3 years, and which I believe has been a very successful program.

My conclusions are based on an analysis of how this program has affected, not only the farmers of South Dakota and the Nation, but also how this program has affected consumers and taxpayers.

To get the entire picture of what has been happening in feed grains during the past few years, let us examine trends both before and after the new feed grain program was started. Since 1952 production of feed grain consistently outran consumption until the feed grain program was started in 1961. Each year more and more unneeded feed grains were being piled higher on already top-heavy supplies. To get a measure of what was happening, the carryover of feed grains increased from 27 million tons in 1952 to a peak of more than 84 million tons in 1960, the alltime high year.

In 1961, the Congress passed a new type of feed grain program, one designed to bring some order into the chaotic picture. Despite the fact that the new program was not completed by the Congress until well along toward planting time, the farmers hastened to join up. That first year, even though the program got off to a late start, farmers managed to reduce the output of corn and grain sorghums some 13 million tons below utilization. In other words, the carryover was cut back by 13 million tons, the first reduction in 10 years.

The following year the carryover was reduced by another 11 million tons. And for the current year, it is expected that the reduction will amount to another 7.7 million tons.

Now let us consider what these savings mean in terms of dollars. We must remember that each bushel of grain going under loan as part of the price support program requires an initial outlay by the Commodity Credit Corporation. But this is only a starter. To this is added

each year the storage charges, the interest charges, the losses of value as the stored grain grows older and less desirable. It does not take long for these charges to mount up. In not too many years the accumulated charges against the stored grain amounts to even more than the original cost or value of the grain.

Here are some figures the U.S. Department of Agriculture has released showing the savings being realized through the workings of the feed grain program. These are estimates of the ultimate net savings, after deducting all costs of the program including the acreage diversion payments. The savings to taxpayers under the 1961 program will amount to \$591 million. In 1962 the savings will amount to \$634 million. And for 1963 the savings are expected to amount to \$143 million. For the 3 years together, total savings will be \$1,368 million or more than one and a third billion dollars. Certainly savings of this magnitude cannot be taken lightly.

Of course the fundamental test of a farm program is its impact on the agricultural economy and the income of farm families. Let us look then at the State of South Dakota, a great agricultural State, as a good example of the feed grain program's impact.

Those of you who are familiar with farming activities in my State know how important our livestock industry is. The total value of all livestock in South Dakota on January 1, 1963, amounted to nearly \$700 million, one of the biggest livestock investments in that country. Naturally, with such an imposing livestock population, an adequate and stable supply of feed is of the highest concern. If the quantity fluctuates too widely, if the price of feed shoots up 1 year and down the next, the livestock industry is unsettled. Unregulated production of feed grains leading to large supplies of cheap feed encourages rapid expansion in livestock numbers, something that the established livestock farmer views with alarm. What the successful livestock producer needs is orderly growth in his industry, not a succession of booms and busts. He knows that cheap feed means, sooner or later, cheap feed.

This is why the outcome of the vote on the feed grain bill is of such high importance to the farmers of my State. They have seen how the program works. They have experienced its benefits. They know that largely as the result of this program the total value of feed grains produced in South Dakota rose from \$97 million in 1961 to \$108 million in 1962. While it is still early in the season, there is every reason to think that the value of this year's feed grain crops will approximate that of last year.

The operation of the feed grain program over the past 2 years has helped assure the South Dakota livestock producer—and indeed livestock producers in all parts of this country—with an ample supply of feed grains. And it has done this at the same time the continued growth of unneeded supplies of feedstuffs have been halted. This has been done without hurting the feed grain producer. In fact, the payments to farmers

for transferring land to conserving uses and out of growing feed grains has supplied these farmers with additional income that has come in very handy in these days of rising farm costs.

From the standpoint of the farmer I would like to summarize the benefits of the feed grain program. It brings stability into the feed grain picture, thus permitting the livestock farmer to plan his operations ahead. It whittles down topheavy stocks of feed grains. It brings down the cost of storing these large supplies of unneeded grains. And it does all this on a voluntary basis. Those farmers who want to take part are free to do so. And those who, for reasons best known to them, do not want to participate, are perfectly free to ignore the program. It seems to me it would be hard for even the most ardent critics to find something to complain about here. And the beauty of all this is that it is saving the taxpayer money at the same time.

There is one other aspect to this pending legislation which I feel is very important. That is the timing. Last year this Congress passed a new wheat program. This program is new in that while it had been discussed for nearly 30 years, and even passed by Congress, only to be vetoed by the President, it had never been taken out of the ASC offices to the individual wheat producers and explained to him in detail. In the months since passage of the bill, the Department of Agriculture has been doing this, and I might add, in my judgment, has been doing it very well. But they have been handicapped, and farmers have been handicapped by one missing link in this important new wheat program. That is, the knowledge that there would be a feed grain program for 1964 and thereafter; and therefore, that the substitution clause would be operative. This is mighty important to farmers in my State where wheat and feed grains are quite commonly produced on the same farm. If the substitution clause is available, grain farmers in South Dakota will have the opportunity to substitute acre for acre feed grains for wheat, and vice versa. I think everyone can see how important this is to the individual farmer, how it gives him the maximum degree of freedom and flexibility in his farm management operations, and how it lets him decide what grain or what combination of grains are best from the standpoint of his own personal farming operation.

Because this is so vitally important and so integral a part of the wheat program, it is only fair and right and proper that the farmers not only in South Dakota, but throughout the Nation, who must make a very important decision next Tuesday, May 21, have every available bit of information before them as they cast their ballots in the national wheat referendum. Unless we act promptly on H.R. 4997, the farmers of South Dakota and the Nation will be denied needed information.

So, in addition to the significant savings to the taxpayers as a result of the operations of the feed grain program in 1961, 1962, and 1963, and in addition to

the benefits in improved income and the stable prices that it has meant to the farmers of my State and the Nation, I would add this third reason for urging prompt and favorable enactment on H.R. 4997.

Mr. METCALF. Mr. President, I urge my colleagues to vote for the passage of the feed grain program—H.R. 4997—without further delay. It has been delayed too long already. In all too short a time now the grain producers of my State will be called upon to make one of the most important decisions which has faced them for a generation. I refer, of course, to the wheat referendum in which they will vote on May 21, either for or against the wheat certificate program which the Congress enacted last year.

I cannot overemphasize how important this referendum will be to the welfare of the farmers of, not only Montana, but of the country as a whole. On the correctness of this decision rests the fate of thousands of family farms. They cannot survive another downturn in farm income.

The farmers of Montana need to be able to see beyond the clamor of misleading slogans to which they have been subjected, and sort out the facts on which their destiny hinges.

This legislation is needed in order that the Nation may, first, continue the good progress toward bringing our surplus supplies of feed grains in line with our needs; second, reduce the costs of the program; third, and most important of all, protect the income of the family farmer.

Without this bill we will return, under the permanent law, to a program of unlimited production and low-level price supports which, in the decade of the fifties, resulted in alltime record supplies and storage costs, and a decade of farm depression which forced over 2 million farms out of business. We must not repeat that disastrous experiment.

Farmers in Montana or any other Great Plains State need to know whether or not they are going to be able to plant feed grain in place of wheat or wheat in place of feed grains. This flexibility is of critical importance in a semiarid region where adaptability has proven to be the most important fact in economic survival.

Take for example, a Montana wheat farmer with 960 acres in crop and growing about 400 acres of wheat before the year 1953. By 1961, his wheat allotment was down to 270 acres, and with almost no other alternative his feed grains were up to 130 acres. You just cannot imagine how important it would be to him to know that under the program if this bill passes, he can plant any combination of grains on those 400 acres, by diverting a small acreage, and still be assured of stable prices.

Mr. President, this feed grain program provides a rationality to northwest agriculture which has long been needed, a flexibility which is almost imperative and a promise of farm income improvement which warrants our enthusiastic support.

Mr. President, in my State of Montana grain and beef cattle are by far the most important sources of income. It is true we have our mines and our forests which are also great resources, but grain and cattle are the combination constituting our greatest asset in the long run.

Analyzing the livestock industry since this program first started shows an ever increasing favorable effect on hog and cattle production and prices compared to prior recent years. It has proven to be a considerable protection against the sharp declines that would have taken place in cattle and hog prices without a feed grain program.

In other words, oversupplies of cheap feed grain produce oversupplies of cheap cattle and hogs. This is a fact perhaps better known to economists than it is to some livestock growers. But I believe the truth of it is beginning to sink in to even the most rugged of our livestock producers.

It has been plainly demonstrated that the feed grain program is the most effective means yet devised to assure fair and reasonable livestock prices.

So sure of this fact, is the Department of Agriculture, that Secretary Freeman say that it has no plans, nor is it prepared to support any proposal, for a supply management program in livestock.

Mr. President, there is no authority after 1963 for a diversion payment on feed grains. This is serious enough in itself, but the law directs the Secretary of Agriculture to establish price supports for feed grains at such levels as will not add to surplus stocks. This means 80-cent corn and comparable low levels for barley and other feed grains. This is a return to disaster levels of the Benson days. I do not believe Montana farmers want that. It would certainly means disaster to our cattle industry in Montana which has already experienced sharp drops in prices because we are feeling the effects of increasing cattle number in the long-range supply cycle.

Mr. President, I hope that a vote will be taken on this bill at the earliest possible time.

STANDARD TIME

Mr. ROBERTSON. Mr. President, I am introducing, for appropriate reference, a bill to establish daylight saving time uniformly throughout the United States during the months of June, July, and August of each year, not because I favor daylight saving time but because I think the present lack of uniformity is deplorable.

This bill is a refinement of S. 1394, which I introduced on April 26. For purposes of comparison, I ask that the bill which I am introducing today be printed in the CONGRESSIONAL RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1528) to establish daylight saving time uniformly throughout the United States time zones each year, to make such time the only legal time during the period it is in effect, and to

provide additional time zones for the States of Alaska and Hawaii, introduced by Mr. ROBERTSON, was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that (a) the Act entitled "An Act to save daylight and to provide standard time for the United States", approved March 19, 1918, as amended (40 Stat. 450; 15 U.S.C. 261-264), is amended by adding at the end thereof the following new sections:

"SEC. 6. (a) During the period commencing at 2 o'clock antemeridian on the last Sunday of May of each year and ending at 2 o'clock antemeridian on the first Sunday following Labor Day of each year, the standard time of each zone shall be advanced one hour

"(m) The standard time of each zone in effect under subsection (a) shall be known and designated as 'daylight saving time' of such zone, and, during the period prescribed by such subsection, shall be the standard time of such zone for all purposes.

"(c) Within the respective zones established under the first section of this Act, the standard time of each zone in effect under subsection (a) of this section shall, during the period prescribed by such subsection, govern—

"(1) the movement of all common carriers in intrastate commerce,

"(2) the time of performance of any act by any officer or department of any State or political subdivision thereof under the laws, ordinances, orders, rules, and regulations of such State or political subdivision, and

"(3) the time within which any rights shall accrue or determine, or within which any act shall or shall not be performed by any person, under any such law, ordinance, order, rule, or regulation.

"(d) No State or political subdivision thereof shall prescribe any time to be observed within such State or such political subdivision, as the case may be, during the period prescribed by subsection (a) which is in conflict with the provisions of this section. Nor shall any State or political subdivision thereof prescribe daylight saving time or any other advanced time to be observed within such State or such political subdivision, as the case may be, during any period other than the period prescribed by subsection (a).

"Sec. 7. (a) If any person fails or refuses to comply with any provision of section 6 of this Act or with any rule, regulation, requirement, or order thereunder, the Interstate Commerce Commission or its duly authorized agent may apply to the district court of the United States for the district in which such failure or refusal occurs, or in which such person is found, for the enforcement of such provision or of such rule, regulation, requirement, or order. Such court shall have jurisdiction to enforce compliance therewith by injunction or by other process, mandatory or otherwise, restraining such person, or the officers, agents, employees, and representatives of such person, from further failure or refusal to comply with such provision or with such rule, regulation, requirement, or order, and requiring compliance therewith.

"(b) Any person who fails or refuses to comply with any provision of section 6 of this Act or with any rule, regulation, requirement, or order thereunder shall forfeit to the United States the sum of \$200 for each such failure or refusal, and, in the case of a continuing failure or refusal, not to exceed \$100 for each additional day during which such failure or refusal continues. All for-

features provided for in this subsection shall be payable into the Treasury of the United States and shall be recoverable in a civil action by the Interstate Commerce Commission, or its duly authorized agent, brought in the district where such failure or refusal occurs or where such person is found. All process in any such action may be served in the district in which such person resides or in which such person is found.

"(c) Any person who knowingly and willfully violates any provision of section 6 of this Act or any rule, regulation, requirement, or order thereunder shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$500 for each violation. Each day of such violation shall constitute a separate offense.

"(d) The Interstate Commerce Commission shall execute and enforce the provisions of section 6 and this section of this Act. Upon the request of the Commission, it shall be the duty of any United States attorney to whom the Commission may apply to institute in the proper court, and to prosecute under the direction of the Attorney General of the United States, all necessary proceedings for the enforcement of the provisions of section 6 of this Act and of the rules, regulations, requirements, or orders thereunder, and for the punishment of all violations thereof. The cost and expenses of any such prosecution shall be paid out of appropriations for the expenses of the courts of the United States."

(b) The Act entitled "An Act to permit the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District", approved April 28, 1953, as amended (D.C. Code, sec. 28-2804), is repealed.

SEC. 2. (a) The first and second sentences of the first section of the Act entitled "An Act to save daylight and to provide standard time for the United States", approved March 19, 1918 (15 U.S.C. 261), are amended to read as follows: "That, for the purpose of establishing the standard time of the United States, including the States of Alaska and Hawaii, the territory of the United States shall be divided into seven zones in the manner provided in this Act. The standard time of the first zone shall be based on the mean astronomical time of the seventy-fifth degree of longitude west from Greenwich; that of the second zone on the ninetieth degree; that of the third zone on the one hundred and fifth degree; that of the fourth zone on the one hundred and twentieth degree; that of the fifth zone on the one hundred and thirty-fifth degree; that of the sixth zone on the one hundred and fiftieth degree; and that of the seventh zone on the one hundred and sixty-fifth degree."

(b) Section 4 of such Act of March 19, 1918 (15 U.S.C. 263), is amended by striking out "and that of the fifth zone shall be known and designated as United States standard Alaska time" and inserting in lieu thereof the following: "that of the fifth zone shall be known and designated as United States standard Yukon time; that of the sixth zone shall be known and designated as United States standard Alaska-Hawaii time; and that of the seventh zone shall be known and designated as United States standard Bering time".

SEC. 3. The first section of this Act shall take effect at 2 o'clock antemeridian on January 1, 1964. Section 2 of this Act shall take effect at 2 o'clock antemeridian on the Sunday following the sixtieth day after the date of the enactment of this Act.

Mr. ROBERTSON. Mr. President, although the present bill and S. 1394 have a common objective—that is, to eliminate the patchwork of time—there are several significant differences. First of all, the bill which I am introducing today

makes it clear beyond any doubt that Congress intends to extend daylight saving time to all persons and operations throughout the United States during the 3 summer months. S. 1394 in its amendment to the Standard Time Act of March 19, 1918—40 Stat. 450—applied expressly only to interstate carriers, to the operation of Federal offices, and to the performance of acts required of persons subject to the jurisdiction of the United States.

My revised bill would extend the uniform time standard beyond those to the movement of all common carriers in intrastate commerce, to the time of performance of any act by any officer or department of any State or political subdivision thereof under its laws and ordinances, and also to the time within which any rights shall accrue, or within which any act shall or shall not be performed. The present bill would further insure uniformity by repealing the act permitting the Board of Commissioners of the District of Columbia to establish daylight saving time in the District—D.C. Code, section 28, 2804. In short, this bill leaves no doubt that Congress intends to preempt the field in its establishment of daylight saving time across the board during the 3 summer months.

Second, the new bill provides that daylight saving time will go into effect at 2 o'clock antemeridian on the last Sunday of May of each year, and end at 2 o'clock antemeridian on the first Sunday after Labor Day in September. Like S. 1394, this provision would incorporate the months of June, July, and August. However, by making the change to and from daylight saving time on a Sunday, unnecessary dislocations in the workweek would be avoided. Furthermore, by providing that daylight saving time is to end on the first Sunday after Labor Day, the bill would insulate that long weekend, which traditionally ends the summer season, from the consequences of the time change.

Third, I have added provisions to my revised bill which would establish new time zones for the States of Alaska and Hawaii. Finally, in order to assist the Interstate Commerce Commission in the performance of its administrative duties, I have incorporated the enforcement provisions of S. 1033, a bill which was introduced by the distinguished chairman of the Commerce Committee at the request of the ICC.

The recent adoption of daylight saving time in a number of areas calls attention once more to the problems and unnecessary expenses that occur in the spring and in the fall due to the lack of uniformity in time. The confusion, inconvenience, and unnecessary expense constitutes a wasteful drain upon our economic resources and is therefore a stumbling block in gearing the Nation's economy to maximum performance. Recent years have seen revolutionary scientific and economic contributions to the welfare of our country and its people. Our system of time, however, has lagged behind with the result that more of our citizens and businesses have become frustrated by the lack of uniformity in the observance of time.

The variations in time during this period of the year are extensive. First of all, those State and local jurisdictions which adopt daylight saving time have not provided for uniform commencement or termination dates. Furthermore, a number of States permit local options under which each community may adopt a time standard of its own choice. As a result, within an individual State the various cities and communities frequently are under different standards of time. It is reported, for example, that in the State of Iowa there are 19 cities adopting daylight saving time this year commencing on seven different dates and ending on six different dates.

The need for congressional action on daylight saving time is illustrated by the situation that exists in my own State, Virginia. Many Virginians do not want any fast time, but the legislature voted to extend it throughout the State, with two exceptions, for the 3 months of June, July, and August. The exceptions affect northern Virginia, where in order to conform with the District of Columbia, there will be 6 months of fast time and the city of Bristol in the western part of the State where, in order to conform with adjoining Tennessee, there will be none.

The problems created by the lack of uniformity throughout the country in time observance affect a large area of activity both business and personal. This includes banking, finance, broadcasting, communications, transportation, in fact business activity generally.

The problems are particularly troublesome in the transportation and communications industries. The very nature of these industries, providing numerous communities with essential services as they do, causes their activities to be vitally affected by the patchwork of time in the areas served.

In the railroad industry, for example, the short line railroads as well as the large long-distance carriers are plagued by lack of uniformity. The expense of reprinting timetables and making other necessary adjustments resulting from the lack of uniformity in time has been estimated by the railroad industry to approximate as much as \$1 million annually. A great amount of difficulty stems from the fact that common carriers are required by the Standard Time Act of 1918 to perform services under the federally prescribed standard time while many of their patrons, both passenger and freight, are observing another standard of time. It has been estimated to cost one railroad alone from \$35,000 to \$40,000 a year simply to adjust its information service at passenger stations in order to provide the additional staff required to explain the standard time feature of railroad service to patrons living on daylight saving time, for example, who ask whether the 3 o'clock train leaves at 2 o'clock or 4 o'clock.

The problem is also clearly illustrated by the provision of motorbus service. I understand that Greyhound bus service offered over the 35-mile highway distance between Steubenville, Ohio, and Moundsville, W. Va., during the daylight saving time season, operates through seven different time changes. The con-

conclusive, some progress was made, which may be pushed further when the special assembly takes the matter up in mid-May, or, failing that, at the regular assembly in the autumn.

Latin American representatives, and those of some other smaller nations, put forward new proposals in the working group. These proposals indicate that such nations may be willing in future to accept smaller reductions than they have received in the past on their regular budget shares for their emergency assessments. At the same time, these same nations and others suggested assessments above the regular budget percentages for all industrialized states. Heretofore, they had emphasized almost exclusively, the special financial responsibility of the five permanent members of the Security Council. In short, the new proposals would spread emergency assessments more evenly over the total membership by involving a greater number of well-to-do nations in covering a smaller percentage reduction for states less able to pay.

THE U.S. POSITION IN THE WORKING GROUP

A major obstacle to agreement in the Committee on UNEF and ONUC assessments now, or on a formula for financing future peace-keeping operations, was the inability of the United States to accept any share for this Government which would exceed 33 1/3 percent of the total. This one-third limitation on any U.S. assessment by the U.N. was fixed by Congress a number of years ago. Until 1962 the American delegation had interpreted this prohibition to apply strictly to assessments, but not to voluntary contributions.

In 1962 the congressional act permitting the President to purchase up to \$100 million of the U.N. bond loan on a matching basis included the following stipulation: "The proceeds of such loan shall not be used to relieve members of the United Nations of their obligations to pay arrearages on payments of any United Nations assessments, and shall not be used to reduce regular or special assessment against any such members."

This condition related to the bond purchase, and the tenor of the congressional debate on that issue, apparently convinced the U.S. administration that Congress would no longer countenance U.S. voluntary contributions which had since 1957 been specifically designed to reduce special assessments against U.N. members less able to pay emergency costs. In the working group, therefore, the U.S. representative clung to the present U.N. assessment rate of 32.02 percent for the United States. The American delegation, presumably, will be forced to continue to hold this position unless and until Congress eases its former attitude toward U.N. appropriations. Meanwhile, UNEF and ONUC costs continue with no accompanying financial assessment on U.N. members.

A SECOND LOOK AT THE UNITED NATIONS BOND ISSUE

The sale of U.N. bonds has been the principal source of revenue for defraying the expense of peacekeeping operations in Congo and the Middle East since the end of June last year. Something over \$148 million worth of bonds have been subscribed out of an authorized total of \$200 million. Reckoning the costs of UNEF and ONUC as about \$120 million annually, proceeds from the bonds will be virtually exhausted by the end of this year in the absence of any assessment for 18 months.

When the 1961 U.N. Assembly approved the bond issue, it authorized the Secretary General to "utilize the proceeds from the sale of such bonds for purposes normally related to the Working Capital Fund." (This Fund is a revolving fund to provide cash

for regular, or extraordinary and unforeseen U.N. expenses, pending payment by member states of their contributions, and it is reimbursed as governments forward their assessments.) Although the Assembly resolution gave no other directions to the Secretary General as to the use of the proceeds, the Assembly debate at that time seemed to contemplate that the loan would be applied to cover U.N. emergency expenses for the last 6 months of 1962, while the bond drive was on, and to pay off pressing debts due to arrearages.

Governments, however, have apparently put different interpretations on the purposes of the bond issue. It is said, for instance, that the United Kingdom and Australia, in seeking appropriations to purchase U.N. bonds, assured their Parliaments that none of the bond money would be used for future emergency costs in Congo or the Middle East. The U.S. Congress, on the other hand, was assured that any money appropriated for U.N. bonds would be applied only to ongoing emergency expenses for those two actions. In Britain and Australia the Congo operation was not a popular undertaking, whereas, in the United States, there was concern lest U.N. bonds be used to relieve other nations of their past obligations to pay for UNEF and ONUC.

It is not easy for governments to take positions that are both nationally and internationally palatable, or to achieve politically successful results on both fronts. Over the U.N. bond issue, the U.S. administration had a particularly difficult time in reconciling the international community's estimate of the relative ability of the richest country in the world to pay for U.N. operations with the congressional view that this country must not be mistaken for Santa Claus.

In reviewing how the U.N. emergency police actions had been financed thus far, the Congress was dismayed to find that the United States had been paying 47 to 49 percent of the total cost, because the United States had been almost alone in making a voluntary contribution above the regular assessment. When this was added to the fact that the Soviet Union, and certain other nations, had refused to pay anything at all on these obligations, Congress was understandably unsympathetic toward lending the U.N. additional funds.

It is, perhaps, ironic that the U.S. position on financing U.N. peace-keeping operations by a workable formula of assessments on all members was a casualty of the successful fight to gain congressional approval to purchase U.N. bonds. Yet, in effect, it was the case that, in consenting to buy U.N. bonds, the national legislature made untenable the U.S. position on U.N. emergency financing just when the position was succeeding best in the international Assembly.

LOOKING TOWARD THE SPECIAL U.N. ASSEMBLY

It has been generally agreed that the U.N. bond loan was a "one shot" expediency which should not be repeated. If the Special Assembly levies no assessment for emergency costs, the bond proceeds will be spent by the end of the year, and financial crisis will again threaten the two U.N. policing actions. A last minute reprieve might be produced by the regular Assembly, if it became able to vote retroactive assessments for part, or all, of this year's costs.

The more reasonable position taken by a number of representatives in the Working Group may be said to be due to a removal of the financial problem from the politics of the crises which made UNEF and ONUC necessary. The Special Assembly should be able to take advantage of the greater objectivity about the appropriation of funds, which has apparently been induced by the passage of time and a lessening of tension over the emergencies, themselves. In regard

to financing future peace-keeping operations, adoption by the Assembly of a special scale agreed in advance would help to insulate financial responsibility from the politics of new crises which may arise.

The rather complex assessment formula, put forward in the Working Group by Argentina, Brazil, Cameroon, India, Nigeria, Pakistan and United Arab Republic, provides that all money required for future peace-keeping operations should be derived from assessments without recourse to voluntary contributions. This would insure that higher percentages were levied on all industrialized nations equitably, rather than relying upon their good will to make additional gifts; a system which, in the past, devolved almost exclusively on the generosity of the United States. This seven-power formula might be adapted for application to current emergency costs, although that does not seem to have been contemplated by the sponsors.

The same seven nations appended to their assessment formula a proposal to create a voluntary peace-keeping fund which might be built up in periods of calm and be available when a new emergency arose. Contributions to such a fund would be entirely divorced from the politics of any situation which might later arise, and application of that fund to a specific emergency could be sufficiently automatic to insulate its use from the conflicting passions aroused by the event. However, in the absence of an immediate danger, it would be difficult to persuade governments to make significant funds available on a purely voluntary basis.

It is unlikely that the Special Assembly will consider seriously any plans to finance U.N. peace-keeping operations from non-governmental sources. Within the U.S. delegation, and within the U.N. Secretariat, there is little, if any, enthusiasm for proposals of this sort. It is contended, rather, that the sums of money required for all U.N. purposes are relatively small, and can quite easily be raised from the treasuries of member governments, if the will to support U.N. undertakings really exists within nations. Governments, which for political reasons, do not wish to accept peace-keeping assessments today, are likely to be equally unwilling (for the same political reasons) to permit a surtax on international communications, passports, or the like. So long as the U.N. is an organization of governments, attempts to inject private companies, private institutions, or private persons into the financial formula are more likely to create national political problems than to remove international political obstacles to financing U.N. peace-keeping operations.

THE POSSIBILITY OF A NEW U.S. POSITION

Certainly a majority of U.N. members now concur that peace-keeping operations must be financed by some special scale likely to cost the United States more than 33 1/3 percent of the total.

Hope must be sustained for a more flexible U.S. position on U.N. emergency financing in the circumstances now prevailing. It is at least possible that this country might find the seven-power formula a basis for negotiation of a special scale of assessments for U.N. peace-keeping operations.

If this formula were adopted, the United States share would be no more than 40 percent and could be as low as 35 percent. Thirty-five percent is not much of an increase over the present U.S. one-third limit, and even 40 percent compares favorably with the 47 to 49 percent which this country was moved to contribute voluntarily in past years.

It should be borne in mind that U.N. assessments for the regular budget and for the proposed special scale are based on the relative ability of members to pay, as expressed in terms of national income. In the case of the United States, 33 1/3 percent does

not express in those terms its real capacity to pay.

Although the arbitrary ceiling on the U.S. contribution may be justified for its regular U.N. budget assessment, emergency operations should, perhaps, be considered as giving this country good value for a slightly increased share of their cost. Had the U.N. Charter been fully implemented for collective security, the United States would have had to contribute a large portion of the U.N. armed forces. It would have had to foot the bill for them, and it would have had to risk the lives of its own citizens. As things have worked out the United States has shared in a collective security provided by contingents from many smaller nations.

It is, perhaps, not generally realized that these smaller nations also make a very substantial voluntary contribution to U.N. peace-keeping operations by providing their troops free of charge. The U.N. reimburses them only for such extra costs as arise because of service in foreign countries. This is in contrast to the United States which has, except for the first month, billed the U.N. for the total cost of its services in transporting U.N. men and supplies.

In looking to the immediate future, it is to be hoped that the U.S. position will be taken on the merits of its own principles, and interests, rather than in response to the less consequential perversity of the Soviet Union.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL ASSISTANT SECRETARY IN THE TREASURY DEPARTMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 155, S. 1359.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1359) to provide for an additional Assistant Secretary in the Treasury Department.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, it is my understanding that the bill was reported unanimously by the Committee on Finance. I ask unanimous consent to have printed at this point in the RECORD a statement of the reasons for the necessity of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

GENERAL STATEMENT

The Department of the Treasury has fewer presidentially appointed Assistant Secretaries than most other departments. The Treasury Department has only 3 such posts whereas the State Department has 12, the Defense Department has 16, the Justice De-

partment has 8, the Post Office Department has 5, and the Departments of the Interior, Commerce, and Labor have 4 each.

In a letter dated April 10, addressed to the chairman, the Secretary of the Treasury stated that the present limitation on the number of Assistant Secretaries is a distinct handicap from an organizational standpoint and the creation of an additional assistant secretaryship would alleviate this situation.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1359) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 234 of the Revised Statutes, as amended (5 U.S.C. 246), is amended by striking out "three Assistant Secretaries of the Treasury" and inserting in lieu thereof "four Assistant Secretaries of the Treasury".

FEED GRAIN ACT OF 1963

The Senate resumed the consideration of the bill (H.R. 4997) to extend the feed grain program.

Mr. MANSFIELD. Mr. President, again I wish to propound a unanimous-consent request on the same basis as I did earlier today, namely, that beginning at the conclusion of the morning hour tomorrow, the debate on each amendment be limited to 1 hour, 30 minutes to a side, with the exception of the amendment to be offered by the distinguished senior Senator from Iowa [Mr. HICKENLOOPER], to which 2 hours will be allocated, 1 hour to a side; and that the vote on the passage of the bill occur at 4 o'clock p.m. on Thursday next.

Mr. COTTON. Mr. President, reserving the right to object, how much time does that proposal allow for debate on the bill?

Mr. MANSFIELD. It is anticipated that the Senate will convene at 10 o'clock tomorrow morning and at 10 o'clock on Thursday morning.

Mr. COTTON. But should there be a large number of amendments requiring 30 minutes to a side, plus amendments to which a longer time may be allocated, it might well be that some Senators would be deprived of the opportunity of debating the bill itself.

Mr. MANSFIELD. Mr. President, will the Senator from New Hampshire yield?

Mr. COTTON. I yield.

Mr. MANSFIELD. I assure the Senator that, so far as the leadership is concerned, there would be no thought of deprivation so far as times goes; and, if need be, the Senate could remain in session until quite late in the evening, so that every Senator who wished to offer an amendment would be protected and given the fullest possible consideration.

Mr. COTTON. Late into the evening of what day?

Mr. MANSFIELD. Tomorrow, or even tonight, because I understand that one or more amendments may be offered today, and debate on such amendments would be exclusive of the time limitation.

Mr. COTTON. Mr. President, earlier today the senior Senator from New Hampshire objected to the unanimous-consent request made by the distinguished majority leader. At that time the Senator from New Hampshire was perfectly frank and candid with the Senate and for the RECORD, perhaps unwisely so, in stating that he desired to prevent the adoption of any unanimous-consent agreement if he found that a sufficient number of Senators entertained the sentiment which he entertains and were prepared to express themselves to the Senate and, more important, to the country. The Senator from New Hampshire now will continue his policy of complete candor and say that he has sounded out the sentiment of Senators on his own side of the aisle. He has not presumed to discuss the subject with any Members of the majority party.

He finds to his disappointment and acute distress that any attempt even to stay the execution of the passage of the bill before the Senate would be futile, because the Senator from New Hampshire would stand almost alone, although he finds that some other Senators feel as he does. He is extremely grateful to them; perhaps he should not say "grateful," because this is a subject of concern not only to the Senator from New Hampshire; but he respects, admires, and thanks those Senators for their willingness to participate with him.

I should like to make my point crystal clear. I am taking a little time to do so, because I doubt whether I shall have anything more to say during the debate, and I expect, at the conclusion of what I have to say now, to withdraw any objection to the request of the majority leader. Before doing so, I should like to say that, in the first place, I look across the aisle at the vast array of seats—not all of them occupied at the moment—allocated to the overwhelming, more than two-to-one Democrat majority in the Senate; and then I look at the seats occupied by Members of my own party, the number of whom has dwindled since I came to the Senate 9 years ago. I am beginning to understand the reason. The reason is not that the administrations represented by the Democrats have actually given to the country any great boon or conferred any great benefits upon the so-called poor, common people, for whom their hearts bleed. In my opinion, the reason is that we have not been meeting to its full extent the obligation which any minority party must exercise; namely, to be a potent force, no matter how few may be our number.

I have been a Member of Congress for 17 years. I have served in Republican Congresses and in Democrat Congresses. I express my admiration and congratulations to those who are in the seats of the mighty today—the majority party.

Mr. President, what do you suppose would happen if a Republican occupied the White House today, and if the Republicans had a two-to-one majority in the Senate, if a plan were promulgated and advanced to the American people, and a referendum were to take place

next Tuesday on that plan? And what would happen if a Republican Secretary of Agriculture had made use of the county committees, paid for by the taxpayers, and had made use of every power and artifice at his command to carry that referendum, right or wrong, I am not discussing its merits now? And what would happen if it were necessary, in order to give added incentive and to place in the hands of the administration a longer, harsher whip to force a decision by the American people, and orders had come from a Republican President to a Republican majority to force a bill through Congress before Saturday night?

At the moment I do not see in the Chamber my dear friend the Senator from Oregon [Mr. MORSE], whom I greatly respect. I do see in his seat in this Chamber a Senator under whom I have served and whom I love, respect, and admire—the distinguished senior Senator from Minnesota [Mr. HUMPHREY]. As I look around the Chamber, I see some of the stalwart sons of the Southland; and I have seen them stand, few in number, all alone, and use every weapon justly given them under the rules of the Senate, to fight for the section of the country they represent and for the principles they espouse. I see my friend the Senator from Illinois [Mr. DOUGLAS], whom I have seen assert his power on the floor of the Senate.

Let me remind Senators that if there were a Republican President in the White House and if there were a Republican majority in the Senate, there would not be any more prospect of voting on this bill before the referendum next Tuesday than certain Members of Congress have of going to heaven when they die—and I do not name them. [Laughter.]

Mr. DOUGLAS. Does the Senator from New Hampshire include himself in the last-mentioned category?

Mr. COTTON. Yes; I am not denying that this may be an autobiography.

Mr. DOUGLAS. I thought it was.

Mr. AIKEN. Mr. President, will the Senator from New Hampshire yield?

Mr. COTTON. I shall yield in a moment. But first I wish to complete my statement, in order that my position may be perfectly clear.

Mr. President, it is wicked and sinful to filibuster. The word "filibuster" is a forbidden word. It is wicked and sinful to employ dilatory tactics; and that is a forbidden term. We cover the unpleasant words over; we talk about "debating the issues."

There are men of principle in the Senate; but when the cards are on the table and the chips are down, the Senate is the last place in the world where weapons are left in the hands of a minority. However, Mr. President, if the minority does not exercise those weapons, it loses them.

I wish to make clear that I am not criticizing my own leader. I question whether he could get five speakers on this floor in the next 5 hours. I am not reflecting on any of my comrades on the Republican side of the aisle who repre-

sent the great wheat-growing States of the West, and who could hardly be expected to do anything which would in any way threaten to damage the rights or the desires of their constituents. I am merely saying that I regret that the time has come when there are only three Members, so far as I can ascertain, on this side of the aisle—and I include myself—who are willing and eager to stand up and say, "No. We are not going to have a unanimous-consent agreement until we have had time to explore the subject and give to the country all the facts about the tactics which have been employed in forcing the will of the President and of the Secretary of Agriculture upon the farmers of this country." Those who advocate such a course may be correct; the administration may well be right, for we are not infallible.

Mr. President, this bill represents a long, last, great step in the regimentation of our country's agriculture. I do not believe in it, and I will not vote for it. But I do not demand that other Senators agree with me.

The steps we are about to take in connection with the feed grains bill—And I have no illusions about any possibility of preventing its passage—are suicidal for the State of New Hampshire, which I represent, and for other New England States. I have a feeling that if any Senator who represents a New England constituency votes for the feed grains bill, he will never cease to regret such a vote. But those things go to the merits of the issue. Part of them are sectional for the people I represent.

I will not object again to the proposed unanimous consent agreement. So far as I am concerned, the Senate can vote on the feed grains bill at any time Senators want to vote on it—in fact, in an hour, if Senators wish to vote on it then. I merely wish to say to my friends and colleagues that I greatly deplore this situation. If we continue to sit back and say, "We do not have enough votes to stop this thing; they have us overwhelmed, 2 to 1; let us surrender," it will be a long, cold day before the people of this country will give us added voices in the Senate.

Mr. President, what this country needs is a two-party system in which men stand for their principles and fight to the limit, using every single recourse and weapon at their disposal.

I have just returned from my own State. While I was there, I talked with some of our farmers. Only yesterday I talked with members of our county committees. When the time has come that the taxpayers' money is used and when those who are under the pay of the Federal Government are used to campaign in an attempt to influence a great national referendum, and when we in the Senate are willing to supinely say, "Oh, yes; we probably could not stay execution until next Tuesday," we put another weapon into the hands of those who are insisting on having their own way, up to the very last iota.

Mr. President, at this time our country is in a serious condition.

This bill will be passed; and then we

shall have entered another epoch in the story of Federal Government domination. The bill will be passed rapidly; it will be passed under a unanimous consent agreement. But, Mr. President, I have made up my mind that from now on either we are going to be a deliberative body or we are not. If we are going to be stampeded into instant action whenever the executive branch—no matter how sincere and well advised it may be—swings the bullwhip, the Senate of the United States will have lost much of its dignity and power.

Not one word I have uttered is intended as a reflection on any individual Senator, nor is it intended as a reflection on the President of the United States or those who are serving him to the best of their ability, and who undoubtedly sincerely believe that what they are doing is needed by the agriculture of the country and is needed to promote our export policy and our foreign markets. Instead, my words have been directed to questions of procedure.

We are more than halfway through the month of May. Congress has been in session since early in January. We have met and adjourned, met and adjourned, and met and adjourned. The tactics have been that when a measure has come along which, it is said, requires instant action, we go into action under a unanimous-consent agreement. In the closing weeks or months of the present session—and we shall be lucky if we get home for Thanksgiving dinner—some of the vital issues that face our country could be permitted to remain unconsidered until the eve of adjournment, when every Senator wishes to return home. At such a time an important proposal might be thrown before the Senate with the statement, "If you do not pass it, you cannot have a weekend off. If you do not pass the bill, we cannot adjourn in time for you to get home and campaign. If you do not pass the measure, you must remain here on Thanksgiving Sundays, and even to the New Year."

I do not accuse the Democrats, because I have seen the same procedure followed under Republican administrations.

It is part and parcel of the carelessness that we are beginning to display in relation to the dignity of the Senate. We allow proposed legislation to pass on unanimous-consent agreements when such requests conveniently come so often at a time when we all desire a good long weekend to do some of the necessary things that we wish to do at home.

Mr. President, I have spoken emphatically but not in anger. I now regret that it was necessary to make those statements, but I doubt if I shall regret them in the years to come. I think they had to be said.

Mr. MILLER. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. KENNEDY in the chair). Does the Senator yield?

Mr. COTTON. I yield.

Mr. MILLER. I know something of the frustration and unhappiness which the Senator from New Hampshire has

expressed. While I have been in the Senate only a little more than 2 years, I have shared them with him during that period of time.

But I would like to call the attention of the Senator from New Hampshire to the fact that the Senator from Iowa was not consulted by him with a view to determining to what extent the Senator from Iowa would participate in an extended debate on the bill.

If the Senator from New Hampshire had asked the Senator from Iowa that question, he would have found that the Senator from Iowa would have joined with him wholeheartedly and would have been more than willing to have carried his share—in fact, more than his share—of the load. I should like to make that point for the RECORD. I trust that the Senator from New Hampshire was not directing his comments at any particular Senator in connection with his survey.

I recognize the truth of what the Senator from New Hampshire has said about the failure of the Senate to stand on its own feet as one of the great independent branches of the Government. I have been sorely disappointed to note that during my 2 years or more in the Senate, with only two exceptions—and those were by a hair's breadth—the Senate has served as a rubberstamp for the executive branch of the Government. Consider the yea-and-nay votes. Any time that the White House has desired something—except for the urban affairs bill and the medicare bill in the last session—it has received it.

So I understand and appreciate the frustrations the Senator from New Hampshire must feel; he has been feeling them for much longer than I have. At the same time I wish to make clear that I do not think we should proceed from those frustrations to another point of absurdity.

The Senator from New Hampshire mentioned the filibuster that was conducted on the Telstar communications satellite bill. It was my observation that while that filibuster was rather effective for a period of time, it became rather an absurdity. The filibuster did not have very much effect. If anything, Senators who participated in the debate suffered from it. I would hesitate to engage in a prolonged debate merely for the purpose of delay.

I would also like to make a further point with the Senator from New Hampshire. I think the country well knows—and it will know a little better after we have disposed of the bill—what is happening in relation to the feed grains bill. It is known that the green light has been turned on from the White House. We saw what happened in the rather brief consideration which the Committee on Agriculture and Forestry gave the measure. We know what kind of record was made in the committee. Had it not been for the bipartisan efforts of a few Senators, the bill would not even have received hearings.

We know how the bill came rapidly from the committee, how it was made the pending order of business by directions from the White House, and how it

is to be pushed through before the wheat referendum, if any power that is necessary can be used to do so.

There ought to be a little resentment on the part of the farmers of our country who are affected by the wheat referendum, not only directly, but indirectly. I would hope that anyone who doubts how he is going to vote on the referendum would be inclined to vote "No" on it on general principles, on the basis of being unhappy about the way the measure has been literally forced through the Congress at the direction of the executive branch of the Government.

I would not desire my remarks to be considered at all critical of our great majority leader. He is merely carrying out his instructions. I suppose were I in his position, I would be doing the same thing. But I think that it is very unfortunate for the executive branch of the Government to try to usurp the powers of the Federal Government which properly belong in the legislative branch, and that by ramming the measure through, and by obviously trying to do so before the wheat referendum, we are endangering the separation of powers of our Government.

I make those statements to the Senator from New Hampshire so that he will know that there are others of us on this side of the aisle—and I am sure on the other side of the aisle—who share his deep concern over the situation.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. COOPER. In his statement, the Senator from New Hampshire said that this side of the aisle had suffered defeat or admitted defeat. I would like to make a point which I do not think has been widely considered on our side, by the Congress, or by the President. The very fact that the administration is pressing so vigorously for a voluntary feed grains bill is an admission that for 2 years they have been wrong, and have suffered a defeat.

I should like to state my reasons.

As Senators know so well, in 1961 and 1962 the Senate voted on a feed grains bill three times. A voluntary feed grains bill was passed in three votes—in two instances by direct vote on a bill, and in one instance on a conference report. The voluntary approach was the approach that was advocated on this side, with some help from Senators on the other side—particularly, I might mention, on the part of the Senator from Florida—in 1961 and 1962. I speak as a member of the Committee on Agriculture and Forestry and as one who heard the Secretary of Agriculture and his assistant. For 2 years they pressed before us the argument that the only possible way to meet what they called the great problem of feed grains surpluses, which were not too large, was by compulsory feed grains programs. There was no other way. They based the policy on that compulsory approach.

Senators will remember that practically all of us on this side of the aisle opposed the compulsory feed grain ap-

proach and pointed out, correctly, that under that approach there would be many farmers in this country who, for the first time in their farming existence, could not raise feed grains even on their own farms to feed their own livestock, their own poultry, or for use even by the farmer's wife. We made that an issue.

Now, after 2 years, the Secretary of Agriculture, the Department, and the President have admitted that they were wrong. They have admitted defeat. They have admitted that the farmers of this country were correct; that they would not take the compulsory approach. We know that it was their policy to place all the feed grain farmers in this country under the absolute control of the Secretary of Agriculture, to tell them whether or not they could even raise feed grains on their own farms.

I should like to make the point, in deference to my good friend from New Hampshire, that we have won a victory. Moreover the farmers of this country have won a victory for not being placed under a compulsory feed grain program, under which many of them could not raise even enough feed to feed their cattle and livestock, or chickens. That is exactly what was meant.

Mr. CURTIS. Mr. President, will the Senator from New Hampshire yield?

Mr. COTTON. I should rather not exercise my prerogatives and hold the floor too long. I will yield to the Senator, however.

Mr. CURTIS. I shall be glad to wait, but I thank the Senator for yielding.

It is the opinion of the junior Senator from Nebraska that all proposed legislation is entitled to be considered upon its merits. I think this is a "must" in connection with proposed agricultural legislation. Our agricultural program involves considerable sums of money, now being spent. One does not have to be a wise man to ascertain that there are many things fundamentally wrong with existing agricultural law, and many unsolved problems in connection with agriculture.

I do not believe that we serve our constituencies by making agricultural legislation a pawn in some other controversy. I do not think agricultural legislation should be hurried through Congress to influence a referendum; neither should it be delayed. There should be no connection. If a proper outcome of the referendum is dependent upon something which happens now in Washington, D.C., then the Government has failed to properly state an intelligible choice for the farmers to exercise.

If, on the other hand, defeat of the referendum were dependent upon delaying something in Congress, again I would say we had not wrestled with the real problems of agriculture.

The junior Senator from Nebraska may have a couple of amendments of his own to offer. I am interested in many phases of agriculture. This is likely to be the only agricultural legislation to be passed this session.

I have no objection to limiting the time for consideration of amendments. There is much merit in having such a limita-

tion. Senators can come to the Chamber and can hear both sides of the argument and make a decision. The argument does not have to be repeated three or four times before the Senate reaches a vote.

However, I believe that a unanimous-consent provision, before any amendments are discussed, to fix the time of the vote on the question of passage of the bill, is not sound legislative procedure. I do not believe that is considering proposed agricultural legislation on its merits. If such an agreement is entered into, certain amendments may not be discussed. Certain meritorious amendments may not receive 1 hour's discussion. Or amendments may be discussed in the wee hours of the night, when Senators are worn out, tired, and restless, and in a rather hopeless attitude.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CURTIS. I am happy to yield. I shall not object to a unanimous-consent request to limit the time on amendments, but if there is to be a provision, before any of the amendments are discussed and disposed of, that a time be set for the vote on the question of passage, I shall object.

Mr. COTTON. Will the Senator withhold his objection for one moment?

Mr. CURTIS. Yes. I have not objected. I merely stated my position.

Mr. COTTON. I do not wish to take more time, but I should like to say to the distinguished majority leader and the distinguished minority leader that I voted for the distinguished minority leader, and if I had to vote for another one every day this year, I would always vote for him; and if I were a Democrat—and perhaps, if the Congress becomes what it is drifting toward, a mere ratification body, all Senators will have to be—I would vote for the majority leader.

I have been compelled to say these things. I am glad to know, from the Senator from Kentucky, that this is a victory. I think it is a pyrrhic victory.

I am encouraged that the Senator from Iowa and the Senator from Nebraska have taken this position, which I feel is so sound.

I close by saying that, so far as I am concerned, I shall not object to a unanimous-consent agreement on the bill, but I think the time has come, I say with all friendliness to the distinguished majority leader, when there may be some objections on my part, and I hope on the part of other Senators.

I feel a sense of failure. My people sent me to Congress to stand my ground. The time has come to assert the independence and dignity of every Member of the Senate—and that is no reflection on the leadership.

Mr. MANSFIELD. Mr. President, I find little fault with what the distinguished Senator from New Hampshire has said. There are some points on which we must disagree, but I point out that before a unanimous-consent request is made, I confer with the distinguished minority leader. I confer

with interested Senators on the Democratic side; and I know that the minority leader confers with interested Senators on the Republican side.

We thought this was a means to achieve a reasonable consensus in the consideration of the bill.

I say to the distinguished Senator from Nebraska [Mr. CURTIS] that some amendments have already been discussed on the floor. Others are at the desk. In my opinion, there will be ample time. I hope the Senator will reconsider his statement, because it is not a case of the carrot or the stick. It is a case of trying to arrive at a time when all Senators will be fully aware that a final vote will be taken on a most important measure. Such an agreement would serve as an accommodation and convenience to them.

I say to my distinguished friend the junior Senator from Iowa [Mr. MILLER] that, so far as the majority leader is concerned, there has been no pressure on the part of the White House on the Senator from Montana. The bill was considered in the regular committee and was reported by a majority vote; the report contains both the majority and minority views; and there has been no undue haste in regard to this particular proposal.

If the Senator will look at the calendar, he will find that it is fairly clear. I hope we shall be able to arrive at a reasonable solution of the problem which confronts us.

If the Senator from Nebraska wants to object to a final vote at a time certain, that is his privilege, and his objection will be honored; but I hope he will reconsider, on the basis that, so far as any amendment he or any other Senator wants to offer is concerned, it will be given due and full consideration.

Mr. YOUNG of North Dakota. Mr. President, some of these arguments are a bit strange. I hear Republicans say it is wrong to pass a feed grain bill before the wheat referendum. All the passage of the feed grain bill would do now, so far as wheat is concerned, would be to give farmers the opportunity to substitute feed grain for wheat acreage or wheat for feed grain acreage. This freedom to plant is a program Republicans have been preaching for years. What is wrong with that?

If the bill does not pass, everybody knows the price supports on feed grains will be dropped to 50 percent of parity. The support on corn would drop from \$1.25 to 80 cents a bushel. I think anyone would agree that would be disastrous to agriculture.

Let me read a statement from Charles B. Shuman, president of the American Farm Bureau Federation, at our hearings the other day. I asked him a question:

Your argument now is that an overabundance of cheap feed grain does have an adverse effect on meat prices?

Mr. SHUMAN. Yes. Cheap feed means cheap livestock.

If we do not pass this bill, feed grain prices will drop disastrously. It would be disastrous to every producer in the

United States, even to the producers in the State of my friend from New Hampshire. The Senator from New Hampshire makes a good case for a feed deficit area. For the short pull, lower feed prices might help, but over the long pull, as the president of the American Farm Bureau Federation and other farm leaders have said, low feed grain prices would be disastrous for all agriculture.

I do not think the passage of this bill will be very significant in connection with the wheat referendum. I believe the wheat referendum is going to lose largely for a "no" vote, because of the adverse and inaccurate propaganda. It is very difficult to obtain a two-thirds vote when there is a powerful campaign in opposition to it, not based on accuracy and facts. In my State there is more radio and television time and newspaper advertising, and advertising even on billboards, than took place in the last general election, and practically all of it in opposition to a "yes" vote. If this kind of opposition campaign cannot get a one-third vote, I would miss my guess. I do not think there is much prospect of getting a "yes" vote. So the passage of this bill would make little difference.

Mr. HOLLAND. Mr. President, reserving the right to object—and I shall not object—while the distinguished Senator from North Dakota and I happen to be of different judgment as to the wisdom of this particular bill, I agree with him completely on one aspect of the question. I believe the bill should be passed upon after reasonable debate, and prior to the wheat referendum. So far as I am concerned, I do not know whether it will have an adverse or helpful effect on the wheat referendum. If I were a wheat farmer—and I am not—I think it would have an adverse effect, because it would look as though somebody was trying to push it down my throat; and that he was afraid I would not swallow it unless he did some pushing.

The reason why I think the bill should be passed upon is that persons of equally honest approaches and with a long background in agriculture vary as to the wisdom of this bill. The distinguished chairman of the Agriculture Committee, the Senator from Louisiana [Mr. ELLENDER], certainly has at heart the good of agriculture and agricultural interests.

My friend the Senator from North Dakota [Mr. YOUNG] also has the same objectives at heart.

Yet sitting next to him is the distinguished Senator from Iowa [Mr. HICKENLOOPER], who has the same objectives at heart, but who reaches a different conclusion from the one I mentioned.

Sitting next to him is another distinguished Senator, from Vermont [Mr. AIKEN], who I think has probably served longer on the Agriculture Committee than has any other Member of the Senate, unless it be the Senator from Louisiana, and he has the same view as the Senator from Iowa [Mr. HICKENLOOPER], which, by the way, is the view I happen to have; and I think I am interested in serving agriculture.

By the way, I hope my distinguished friend the former Secretary of Agriculture [Mr. ANDERSON], who is now present in the Chamber—and who I think was the best Secretary of Agriculture we have ever had, will pardon me if I say I think he has distinct views on the bill, which he can announce for himself, as to the wisdom of it. But when there are views that are so different, I think a vote should be taken in time for it to be of any value that it can be. I do not know whether it will be helpful or hurtful.

Therefore, I have been agreeable to having the vote taken on Thursday afternoon, and I still am, provided the agreement is not encumbered by something else that will bring on long debate, and perhaps no chance of passage of this legislation in any form.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. YOUNG of North Dakota. I think the Senator from Florida has been very reasonable. At no time has he indicated that he wanted to postpone action on the bill until after the wheat referendum. He has been fair. He wants reasonable debate, which is a correct view. I think he has taken a reasonable position.

Mr. HOLLAND. I thank my friend for that statement. The Senator from Florida has certainly tried to take a reasonable position.

To return to what I was saying, I think the vote should come before the weekend, for whatever effect, good, or bad, the vote will have in what is, very largely, another picture; namely, the wheat referendum.

I see no reason for postponing the vote beyond this week. I hope unanimous consent can be obtained to vote sometime during this week. The Senator from Florida canceled a trip to Canada. In view of what happened today, I am glad I did. Because of a defect in a diesel engine, the scientists were unable to get Major Cooper off the ground, as I learned over the radio. But I canceled that trip when it was very difficult for me to do so. I am ready to remain here until the vote. I hope there can be a unanimous-consent agreement, followed by debate, and that the issue can be disposed of in good humor, one way or the other.

Mr. President, I desire to ask the majority leader one question. Do I understand correctly that, as now proposed, the unanimous-consent agreement contains the usual stipulation to the effect that amendments which are not germane to this legislation cannot be considered?

Mr. MANSFIELD. The answer is "Yes."

Mr. HICKENLOOPER. Mr. President, reserving the right to object with respect to the majority leader's request, I understood his statement to except an amendment which I would offer, on which there would be 2 hours of debate. I call his attention to the fact that I have a number of amendments. There is one particular amendment, which is at the desk at the present time, on which there would be a 2-hour limitation.

I did not want to leave in the RECORD the connotation that I had only one amendment to offer to the bill.

Mr. MANSFIELD. There is one amendment to which a 2-hour limit has been allocated.

Mr. HICKENLOOPER. Yes. That particular amendment with the 2-hour limitation has already been indicated as being at the desk.

Mr. MANSFIELD. Yes.

Mr. DIRKSEN. Mr. President, what is the parliamentary status?

The PRESIDING OFFICER. (Mr. KENNEDY in the chair). The question is on agreeing to the proposed unanimous-consent agreement. Is there objection?

Mr. DIRKSEN. Reserving the right to object, I am inexpressibly grateful to the distinguished Senator from New Hampshire for the candor with which he expressed himself on the floor of the Senate, paid his respects to this great deliberative body; indicated what he proposed to do in the future, and then very graciously indicated that he would not object to the unanimous-consent request. For that, I am sure, a great many Senators will be grateful to him.

However, Mr. President, I cannot allow the opportunity to pass without making sure that the record has been made. The majority leader in all good grace—and certainly he is not in an enviable position—undertook earlier in the week to procure a unanimous-consent agreement, if possible. His intent and hope was that the Senate could conclude work on the bill as of tonight.

Then the bargaining began; and at long last, after consultation with Senators in charge of the bill on both sides of the aisle, we concluded that perhaps if we had a vote at a time certain on Thursday, and allowed 1 hour on all amendments except the indicated Hickenlooper amendment, that that would suffice for discussion.

Under the procedures of the Senate, there must be something to occupy the Senate's time. We can recess for 5 minutes or an hour or two, or 2 days or 3 days, if we like. However, there must be some rule to cover the Senate session at every moment. When there are no speakers, the majority leader has no choice except to recess or adjourn the Senate. When I attended to our policy luncheon today, I made it manifest that there were no speakers on the floor, and that the majority leader had indicated to me that he would recess or adjourn the Senate early this afternoon. That could have happened at least an hour ago.

We, as the minority, have a responsibility, no less than the majority. If we have a job to do, if we have a principle to uphold, it is our responsibility to be present and support it. It certainly is not the responsibility or obligation of the minority leader or of the majority leader to do all the talking in the Senate. If anything, they ought to be the most self-effacing Members of this body, because when all is said and done, they are the engineers and operators, rather than the leaders, working with 100 diverse personalities and trying to accommodate the schedule of the Senate to the

time of Senators, and still take thought of the monumental impact of the kind of bill that now engrosses the attention of the Senate.

I believe my good friend from New Hampshire was a little disturbed about the deliberative quality of this body. He could have put it in a comparative frame, because sometimes when I think about it, I get into that frame of mind myself. I had intended at some time to make a speech, in view of the criticism that has been made of this great body, and I wondered if it had been done before. Lo and behold, I found documentation, and usually in periods of stress and tension.

Back in 1857, on the 12th day of September, the Philadelphia Pennsylvanian had this to say about Congress generally:

Had we more statesman and fewer mere politicians the country would not have been reduced to its present distressing and humiliating condition.

That was said more than a hundred years ago.

I note that back on October 24, 1873, the New York World said:

If the Constitution is wiped out and Congress is without restraint, where are we? Having a Government controlled by a body of men without limitation as to power, no Constitution to restrain them, but—

Meaning this body—

but acting according to their own will and interest, we have the most odious despotism ever permitted to be established.

So we see that back in the depressed period that was brought on by Black Friday in 1873, people under stress and tension began to point an accusing finger at this great legislative body.

Senators have not heard anything yet.

On October 10, 1893, in the Cleveland period, the New York Evening Post, quoting the Portland Oregonian, said:

The Senate is in the pitiable state of a body that abdicates its legislative functions through sheer weakness and cowardice.

I believe I heard something this afternoon about abdication of functions and weakness.

Incidentally, I say to the majority leader: "After you had indicated that you were about to adjourn the Senate this afternoon, speaking for myself I would not have been very proud of having the Senate recess or adjourn in the middle of the afternoon, when so much has been made of the momentous issue that is confronting the country and the farmers. I am sure that with respect to my own party that might have been misinterpreted, and I was anxious not to have it done, if it could be helped."

My distinguished friend, the Senator from New Hampshire, came to the floor with his customary candor and amiability, ventilated his views. This was the second appearance, because we had been to the Policy Committee meeting, where there was a rugged and vigorous discussion, and I had insisted that some Senator must occupy the floor in order to keep the show going, if we want to call it that, and make it unnecessary for the majority leader to move to adjourn the Senate.

The New York Evening Post, on September 27, 1893, in quoting the Indianapolis News, asked this question:

Does the Senate understand that at the present writing it is the most thoroughly despised body of public men in the world?

That is pretty all inclusive.

Then on November 9, 1893, Leslie's Weekly, in quoting the Louisville Courier Journal, said:

The U.S. Senate is revealed as the most ridiculous deliberative body that human indulgence has yet permitted to evolve itself out of an originally good institution.

Find any period in history, and I will find an editorial comment as to how little we mean in the scheme of things.

Therefore, it is not astonishing that at a time like this, with this challenge confronting us, that much might be made of our failures and foibles.

Back in 1837—and I did not go back that far—the New York Herald spoke about the indolence and folly of Congress.

We can pick up any Washington newspaper today and read about the indolence of a do-nothing Congress.

I have always contended that perhaps the less we do, the better off the country will be.

I say to my good friend from New Hampshire that I will vote a resounding "nay" along with him when the feed grain comes to a vote on passage, because I share his conviction that it is putting our feet just a little higher on the ladder of enslavement, and that farming as a way of life would no longer be a free way of life.

It will be a regimented life. They will dictate from here, and they will vindicate the prophecy of Jefferson, who once said that when Washington dictates when to sow and to reap, that will be the day when freedom for that moment will come to an end. It will be the beginning of the end of other freedoms.

So I congratulate the senior Senator from New Hampshire on his candor. But the leadership must defend itself. This proposal was presented yesterday. It might have been adopted while the Senator was in New Hampshire. But the distinguished Senator from New York [Mr. JAVITS] was present, and he was alarmed about the unpleasantness of the untoward situation in Birmingham and elsewhere. He would not consent to the germaneness provision that is usually implied in a unanimous-consent request. Immediately a division of opinion manifested itself, because the distinguished Senator from Florida [Mr. HOLLAND], who is in the Chamber, and who is one of the Senators in charge of the bill, said that if the germaneness provision were not included, he would object. So we were torn between the horns of a dilemma, and the question had to await a conference at 5 o'clock last evening. Today, at long last, we were given the word that the distinguished Senator from New York would not object.

It was not until later that I discovered that the Senator from New Hampshire had a possible objection; and he will never know how diligent I was in seeking to find him. I called his committee, and it was in executive session. I called his office, and was informed that the Senator was in attendance on the com-

mittee. I called the committee and was informed that the Senator had left the committee. We stationed one man at the Senators' dining room and one man at the policy committee dining room, to be sure that we would find the Senator from New Hampshire, and that he would respond to my call. He had guests, and I am glad he did. But he did respond and did come to the Chamber.

I said to the distinguished majority leader, "I must consult the very distinguished Senator from New Hampshire to find out the nature of his objection." So we made it easy for the Senator from New Hampshire to object, and he is still in a position in which he can object, if he so desires.

Mr. COTTON. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield with pleasure.

Mr. COTTON. I thank my beloved leader for all this attention. As was said on a certain historic occasion by one of our colleagues, "I know now just how the pancake feels when the sirup is poured over it." [Laughter.] I am very glad I returned in time to hear this very fine presentation by my leader. I never fail to admire him as he fights for his principles; and every time I hear him, I like him better.

In yesterday's situation, the Senate was on the horns of a dilemma. All I was trying to do today was to accomplish two things: First, to stir up my leader to the very heights of his eloquence—which I have done; and second, to indicate to the Senate that what is needed on the bill during this week is more horns and more dilemmas.

Mr. DIRKSEN. Mr. President, still under my reservation of objection, the Senator from New Hampshire can furnish a dilemma and can furnish a horn; I would be the last to stand in the way. He indicated awhile ago, in his usual gracious manner, that he would not object to the proposed request; but that hereafter he would be almost stentorian as he delivered his objection in the interests of the deliberative qualities and attributes of this body. However, I wish to place in the RECORD what the problems of the leadership are when we try to confer. Senators would be surprised at the number of times I have spent public money on long distance telephone calls to Senators in Colorado or New York, or elsewhere, to get the benefit of their views before agreeing to a consent request.

But this body must go on; we cannot obstruct. It would be in poor grace if we obstructed. Still there is available under the rule the right of any Senator to object if he believes that more deliberation is necessary; and I will respect the objection. I shall never stand in the way, and I will always make a determined attempt to bring to the attention of all Senators, if possible, particularly those on this side of the aisle, what is proposed, so that if an objection forms in a Senator's mind, he can be present to utter it.

So, Mr. President, I let that subject stand. I observe the distinguished Sen-

ator from Nebraska [Mr. CURTIS] on his feet. For myself, at least, I withdraw my reservation of objection.

Mr. CURTIS. Mr. President, reserving the right to object, I dislike to be put in the position of being a troublemaker or of agreeing to a unanimous-consent request that could not be defended anywhere. If there is a Senator, be he a part of the leadership or otherwise, who can tell me how many amendments will be offered and how many hours will be consumed in debating them, I shall then gladly agree to a time when the final yea-and-nay vote should take place. That is what we are asked to agree to. But no one knows how many amendments will be offered, how many will be adopted, how long it will take for yea-and-nay votes, how long it will take to have quorum calls, or whether the intention is that the Senate remain in session until 8 o'clock, 11 o'clock, or all night.

I believe the farmers of America are entitled to have the proposed legislation considered on its merits. I disagree with those who would like to have it passed or delayed for the effect it might or might not have on a referendum. Our responsibility should embrace many other things. If I may have an answer as to the number of hours that will be consumed in proposing and opposing amendments, then I shall be happy to consider a unanimous-consent request as to when the Senate shall vote.

Mr. MANSFIELD. Mr. President, will the Senator from Nebraska yield?

Mr. CURTIS. I yield.

Mr. MANSFIELD. The Senator from Nebraska is asking a question which it is obviously impossible to answer. With respect to any given legislation, no one in the leadership could give a specific answer to the question raised by the Senator from Nebraska. He knows that as well as we do.

Mr. CURTIS. That is why I raised the point. The Senator from Montana has asked us to agree to an impossible unanimous-consent request.

Mr. MANSFIELD. Mr. President, will the Senator further yield?

Mr. CURTIS. I yield.

Mr. MANSFIELD. I do not believe the request is unreasonable, because on the basis of knowledge which the leadership had yesterday, as I recall, there were six amendments at the desk. Upon inquiring on both sides of the aisle, we found that one or two more amendments might be offered. Nothing was certain. So we thought that on the basis of the request first enunciated yesterday, we would allow plenty of time, so much time, in fact, that it might be possible, if there were no further amendments, to have other matters, of not too controversial a nature, considered in the meantime.

The Senator from Nebraska has a point, as he always does; but he should recognize that the leadership has a responsibility in matters of this kind. This is not unusual. We do not believe we are steamrolling or ramrodding legislation through the Senate. If the Senator objects to the proposed request, that is perfectly all right. We have done

the best we can. We have tried three times to reach a unanimous-consent agreement which we thought had been cleared on both sides of the aisle. Any Senator can overturn such a request, and he can do so within his rights. Certainly there will be no animosity on the part of the leadership if any such action is taken, because the day may come when, in similar circumstances, one of us might wish to do the same thing.

I repeat: We are not trying to ramrod or to steamroller. I am not acting on instructions from the White House; I am acting on the recommendation of a committee of this body, regularly constituted, which has considered the bill and which has filed a report which includes minority views. The bill has been placed on the calendar, and the leadership stated last week that it would be brought to the floor of the Senate on Monday of this week.

• So I want the RECORD clearly understood, and I wish to assure Senators—for the third time—that I have not heard from the White House on this matter, and the White House is not putting any pressure whatsoever on me.

Mr. CURTIS. Mr. President, further reserving the right to object, let me say I may have had an incorrect understanding. I assumed this legislation was proposed for the benefit of the farmers of the country. The prices of hogs and cattle are disastrously low. The imports of live animals, meat, and meat products have a tremendous impact on the market prices. Sixty percent of the farm income of the State I have the honor to represent in part comes from livestock; and I propose to offer an amendment to restrict the importation of livestock and meat and meat products. So I am not going to agree to submit the amendment at 11 o'clock at night or 2 o'clock in the morning, or to have it voted upon without debate. If some are playing games as between the Secretary of Agriculture and his opponents, or vice versa, I am not interested in that. I am interested in the prices of farm products; and I wish to have an opportunity to present the case for restricting imports. If Senators agree to a time certain for the vote on the question of passage of the bill, they will not know what may happen. There may be ample time. Perhaps the Senator's guess is accurate. I do not know whether we are operating a gentlemen's club or legislating for the benefit of agriculture.

If the proposed unanimous-consent agreement specifies a certain time for the final vote, I shall object to it. I think we can make considerable progress if there is agreement on a limitation on the debate on each amendment.

Mr. MANSFIELD. Mr. President, will the Senator from Nebraska yield?

Mr. CURTIS. I yield.

Mr. MANSFIELD. Then, Mr. President, with the concurrence of the distinguished minority leader, I modify my request as follows: That beginning at the end of the morning hour on tomorrow, there be 1 hour for debate on each amendment, with the exception of the Hickenlooper amendment now at the desk, on which there be a total of 2 hours—or 1 hour to a side—of debate.

Mr. DIRKSEN. Mr. President, reserving the right to object, let me ask a question: I understand the proposed agreement, as modified, does not specify a time certain for the taking of the vote on the question of the passage of the bill.

Mr. MANSFIELD. That is correct.

Mr. CURTIS. Is the proposed agreement, as now modified, limited to the amendments which now are at the desk?

Mr. MANSFIELD. No; but it is limited to germane amendments.

Mr. DIRKSEN. Will it also include an opportunity to move to recommit, if that is desired?

Mr. MANSFIELD. Yes.

Mr. DIRKSEN. And also an opportunity for debate on the bill itself, before the vote on passage is taken?

Mr. MANSFIELD. That is correct.

Mr. CURTIS. Mr. President, will the Senator explain what he means by "germane amendments" within the purview of the proposed unanimous-consent agreement?

Mr. HOLLAND. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. HOLLAND. The majority leader yielded to a request by me that the unanimous-consent agreement contain the usual provision confining the amendments to those germane to the subject matter of the bill. That was not a suggestion by the majority leader; it was suggested by the Senator from Florida.

Mr. CURTIS. Let me ask whether an amendment dealing with agricultural imports is germane.

Mr. MANSFIELD. In my opinion, it is, without question.

Mr. CURTIS. Very well.

Mr. HOLLAND. I made my suggestion when it was suggested from some sources that various civil-rights amendments would be offered to the bill. I thought they would run far afield, and would defeat the purpose, which some of us have, to have the bill passed sometime this week.

Mr. CURTIS. Let me ask whether it is the intent of the Senator from Florida, who takes responsibility for this part of the proposed unanimous-consent agreement, that any amendment dealing with agricultural imports, pricing, marketing, and so forth, would be considered germane.

Mr. HOLLAND. My feeling is that any amendment dealing with feed grains or wheat or with their products would be held to be germane.

Mr. CURTIS. I am not indulging in playing games. I will state exactly what my two amendments are. One of them deals with imports. The other one is to attach, as an amendment, a proposal I have espoused for a number of years and which, in one form or another, has been passed by the Senate several times. It deals with industrial uses of agricultural surpluses.

Mr. HOLLAND. I think the Chair is the only one who can rule on the question of germaneness. I have no opinion on that matter, other than to state that I hope those amendments will be held to be germane.

Mr. DIRKSEN. Let me make a suggestion to the Senator from Nebraska.

I do not know whether his amendments have been printed. But if his amendments are printed and are at the desk, he could request that those amendments be considered germane to the bill.

Mr. CURTIS. Mr. President, if the Senator from Montana will yield, I ask unanimous consent that the amendments I have sent to the desk, both of which are copies of bills heretofore introduced by me, one of them dealing with agricultural imports, and the other with industrial uses of farm surpluses, be considered germane for the purpose of consideration in connection with the pending bill.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, I make the same request with respect to one amendment dealing with warehouses and surpluses and with phasing out Commodity Credit Corporation operations.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HICKENLOOPER. Mr. President, reserving the right to object, and in view of the comments by the Senator from New Hampshire and the comments made by other Senators, including those of the Senator from Nebraska, later on I expect to make some remarks on this bill. But a while ago I noticed that the Senator from New Hampshire [Mr. COTTON] was, as we say, rather "steamed up" about this situation, and expressed himself quite vigorously. I call his attention to the fact that, at least from the standpoint of my blood pressure, he was not "steamed up" half as much as I was last week, when I thought I was being "put upon," and with some vehemence I lost whatever control I had and expressed myself rather vigorously to some of my good friends. A little later, I regretted it very sincerely.

Be that as it may, I state that the Senator from New Hampshire [Mr. COTTON] has no monopoly on being irate in discussing methods which I think are still being used in an effort to cause rather precipitate action to be taken by the Senate on this measure.

I point out that whereas the bill was ordered to be reported from the committee, amendments which in my judgment are essential were voted down with the synchronized regularity of a metronome, and as rapidly as it was possible to vote on them. Nevertheless, the staff memorandum sets forth in 7 pages the differences between the bill desired in 1954 and the bill now proposed. In my judgment, those differences merit serious consideration by the Senate, in connection with some very serious facts. Nevertheless, Mr. President, yesterday we discussed this matter rather thoroughly.

I recall that in 1917 and 1918 there was a little "altercation" in which some of us took a small part.

Senators understand that I do not play poker. But a man in our outfit used to like to play poker occasionally. He was a great bluffer. Every time he tried to bluff in a poker game, someone would call him with a better hand. He would throw down his cards and say, "The trouble

with you so and so's is that you do not know when you are beat." He would get up and walk out broke.

Finally, I learned that lesson. In the particular situation we confront I came to the same conclusion. Yesterday I agreed—and I still agree—to the original request which the majority leader made. It was thoroughly discussed yesterday. I have not withdrawn from that agreement or the consent which was requested. I still believe that reasonable, adequate, and essential attention was not given either to preparation for hearings or the conduct of hearings on the bill.

Be that as it may, I do not object. However, I do not want my silence to indicate that I think the procedure is necessarily proper, although yesterday I consented to the request for various reasons. There are various complicated reasons why, when I considered the question late yesterday afternoon, I decided that I would consent to the request. Basically I did so because I did not have much choice. I finally learned when I was licked. I succumbed to superior force on that score.

But it is a serious bill. It affects the feed grain area of our country. I merely wish to go on record now that while I have agreed to the unanimous-consent request—and I will stay by my agreement—the feed grain area of our country is too important in agriculture to be treated as cavalierly as this great piece of proposed legislation has been treated, and perhaps for reasons which, in a way, are collateral to the basic purposes of this particular act. I shall have more to say on that subject later.

The PRESIDING OFFICER. Is there objection to the proposed agreement as modified? The Chair hears none, and it is so ordered.

The unanimous-consent agreement was subsequently reduced to writing, as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Wednesday, May 15, 1963, at the conclusion of routine morning business, during the further consideration of the bill (H.R. 4997) to extend the feed grain program, debate on any amendment (except one amendment by the Senator from Iowa [Mr. HICKENLOOPER], designated as amendment No. 77, which shall be limited to 2 hours), motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received, except as to amendments numbered 87, 89, and 90.

Mr. MANSFIELD. Mr. President, after three attempts and 3 hours of debate, I suggest that we have heard the longest unanimous-consent dialog in which I have ever been involved.

Mr. SIMPSON. Mr. President, with respect to the feed grains bill we have been discussing today, I take this opportunity to state my disappointment in the way this administration is forcing the

leaders of the U.S. Senate to push through this body of Congress a feed grains bill. It is disappointing to think that legislation which has been prepared by the executive branch of Government and forced through the House of Representatives is now being pushed through the Senate so that the bill will have a chance of being signed by the President prior to May 21, 1963.

I object to these tactics—uselessly, I grant.

The proposed legislation is premature at this time.

Congress should delay its decision on a feed grain program until we know what reaction the grain producers have to the 1963 feed grain program; and, until the multiple-price wheat referendum has been held and the result is known. Without going into detail, the number of farmers who are participating in the 1963 feed grain program indicate that it is not popular; 32,384,300 acres were signed up in 1962 and 25,676,475 acres were signed up in 1963.

If the complicated, restrictive, multiple-price wheat program is approved in the upcoming referendum, one set of circumstances will prevail. On the other hand, if it is voted down, substantially different conditions for wheat, feed grain, and livestock producers will be created. If this happens, the Senate would certainly want to reanalyze the entire wheat, feed grain, and livestock problem in order to do justice to all producers. The Senate should not tie its own hands by acting prematurely, without having all the facts necessary for sound judgment.

Indications from my State are that the marketing quotas will be defeated. It is not fair to the wheat growers that they should be treated differently. The administration is coercing the farmers to vote yes on the multiple price certificate wheat plan. In effect, this plan opens the door to Government supply management. I feel that before we act on the feed grains bill we should wait and see what the wheat farmers want. Do they want the freedom to farm or do they want the Government to manage the supply?

If the wheat farmers do vote against the marketing quotas, legislation should be enacted, along with a feed grain bill, which will give the farmer the freedom to farm and permit the farmer the opportunity to establish a free market for his produce.

This bill which we are considering today takes us toward total regimentation of agriculture in this Nation. The administration attempts to pass a simple bill on feed grains. Some Senators have stated that this bill is simply an extension of earlier acts, though in somewhat different form. It is my contention that never before has there been legislation which goes as far as this bill does in giving the Secretary of Agriculture so much authority and discretion. This bill virtually gives the Secretary of Agriculture control of agriculture in America: if the feed grains of this country are controlled by the Government—and this is the worry in the West—the Gov-

ernment will be able to manipulate and control the cattle, sheep, hog, poultry, and dairy industries.

I believe in self-determination, and I think the Senate should have enough confidence in American democracy to permit the farmers to choose the type of market and economic system they desire. Let the Senate of the United States show that this country believes in individual rights and the expression of those rights in the ballot box. I ask that the wheat farmer be permitted to express his will without the Federal Government's further intervention. If we were to pass this bill, the Kennedy administration would use the bill, as they already have used other devices, to pressure the wheat farmers into voting yes in the coming election.

If we have faith in America, let us express it by postponing a vote on this premature legislation until after May 21, 1963.

This is a bad bill, Mr. President. We have had bad farm bills for years, but the bills have been particularly bad under this administration.

I take hope in the fact that no proponents are present, though it seems, evidently, they need not be heard.

I reiterate that the deck is stacked, both on the farm level and in the Senate, with respect to the proposed legislation.

How long, oh Lord, how long shall we delegate the authority of this body to the various executive agencies of this Government?

Our farmers oppose this bill for many reasons, including the reasons I previously stated. I urge my colleagues in the Senate to give it careful consideration, and to vote against it.

Mr. DOMINICK. Mr. President, will the Senator yield?

Mr. SIMPSON. I yield to the Senator from Colorado.

Mr. DOMINICK. I congratulate the Senator from Wyoming for a very fine statement. I know that the Senator from Wyoming feels quite strongly about this proposal. I share with him his doubts as to the advisability of bringing the bill before the Senate for a decision before the wheat referendum takes place on the 21st of this month.

As was stated earlier, since the Congress has been in session for some 4½ months—it seems to me perfectly apparent that adding another week or so to the consideration of a bill of this magnitude would not cause difficulties, so far as the farm economy of this country is concerned, and would not adversely affect the question of other business of the Senate.

I have real concern over the fact that there is an urge to rush, to bring the bill before the Senate and to vote on it before the referendum.

This falls into a pattern, it seems to me, when I consider the letters and telegrams and other forms of communication by which the people from my State of Colorado have been protesting against the action of the ASC committees, in giving out information on the wheat referendum.

That is not, of course, specifically on the question of the bill we shall be considering today and tomorrow, but it is an indication of what the administration is trying to do in order to obtain a favorable vote on the wheat referendum.

I have been told that the information which has been given out by many members of the ASC committees is erroneous. Whether or not this was done willfully, I do not have any idea, but these people are as knowledgeable in the field of agriculture as anybody else, and I should think that if they were giving wrong examples they must have known it when they were doing it.

There have been advertisements in the newspapers, without the advertisements being tagged. Whether those are free, under the guise of public information, I cannot tell. The advertisements are wrong. The examples they give are wrong.

This is one more indication of the endeavor to influence the farmers to vote in favor of the wheat referendum. This obviously is something the farmers themselves ought to decide. They ought to make up their own minds, based on their own experience and their own knowledge. They should not be propagandized and pressured by people who are on the public payroll, being taken care of largely at the taxpayers' expense.

This is one of the main points for which I wish to congratulate the Senator from Wyoming, since he touched upon it so hard. I sincerely appreciate his bringing it up.

Mr. SIMPSON. I thank the Senator from our sister State on the south, Colorado. I say to the Senator that the people of the West—the people of his State and of mine, and the people of the other cattle-growing States—are extremely worried about the insistence upon passage of this bill under the present circumstances, especially in the light of the fact that the cattle industry, as we know, has always withstood the blandishments of the Government, has fought off Government controls, and has very well taken care of itself.

When the Government of the United States or any executive agency procures a feed grain bill such as this, with the regimentation that will go with it, the cattlemen feel, and rightly so, as do the other livestock producers of the West, that it will sound the death knell to the warding off of Government controls by the cattle industry. Members of the industry know that the agency which controls the feed grains of the land will control the livestock industry.

I thank the Senator from Colorado for his very astute observations. I concur in what he said. It is a source of great worry to have such precipitate haste on the part of the administration to have the bill passed prior to the wheat referendum on May 21. It is unseemly. We do not understand it.

There have been bad agricultural bills before. We do not want a worse one. This is the worst agricultural bill ever presented to the U. S. Senate.

Mr. ELLENDER. Mr. President, yesterday I promised the distinguished Sen-

ator from Vermont [Mr. AIKEN] that I would obtain an explanation of the difference in base acres for the years 1961, 1962, and 1963. I have obtained that explanation, and I ask unanimous consent that it may be printed in the RECORD at this point.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

EXPLANATION REGARDING THE NATIONAL BASE ACREAGE DATA FOR THE 1961, 1962, AND 1963 FEED GRAIN PROGRAMS

The facts regarding the increase of the 1963 feed grain base over that for 1962 follows: In fact, there is no real increase. During the 1961 and 1962 program, no allowance in the national base was made for lands tied up under conservation reserve contracts. Instead, when an individual farmer's conservation reserve contract expired, and if he was interested in participating in the feed grain program, he contacted his county Agricultural Stabilization Committee office. Under the conservation reserve law, his base was protected. Thus the county committee added his reserve base to the county figures. This, of course, was carried up through the State and to the national base. It is obvious that this caused considerable additional paperwork and some additional administrative expenses.

To avoid this in 1963, the feed grain bases on all conservation reserve contracts were included in the national base. This amounts to about 9 million acres and accounts for the difference between the 1962 figure of 123.3 million acres and the 1963 figure of 132.2.

It should also be pointed out that this feed grain base acreage will become available to farmers when, and only when, their conservation reserve contracts expire. In other words, these 9 million acres will be eligible for diversion under the feed grain program only when they come out from under the existing conservation reserve contracts, be it 1963 or some subsequent year.

Thus, the 9 million apparent difference is in fact a paper or bookkeeping change and does in no way affect the base acreages eligible for diversion for 1963 or any other particular year. The individual base acreages from which farmers will divert in 1963 are almost exactly the same as last year.

In 1961 the corn and grain sorghum base amounted to 107,891,000 acres. In 1962 the corn and grain sorghum base amounted to 107,247,000 acres. However, the inclusion of 16,045,000 acres of barley base in 1962 raised the total base for the three feed grains to 123,292,000 acres. In 1963, the base for corn and grain sorghums amounted to 106,900,000, and barley 16,000,000 acres for a total of 122,900,000 acres not including the 9 million from the conservation reserve program.

AMENDMENT OF TITLE IX OF SOCIAL SECURITY ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 156, H.R. 4655.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 4655) to amend title IX of the Social Security Act with respect to the amount authorized to be made available to the States out of the employment security administration account for certain administrative expenses, to reduce the rate of the Federal unemployment tax for the calendar year 1963, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill (H.R. 4655), which had been reported from the Committee on Finance, with an amendment, on page 4, after line 6, to insert a new section, as follows:

SEC. 4. Notwithstanding section 901(c)(1)(A) of the Social Security Act, the limitation in the amount authorized to be made available for the fiscal year ending June 30, 1963, for the purposes specified in such section 901(c)(1)(A) is hereby increased to \$407,148,000.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 4655) was read the third time and passed.

FEED GRAIN ACT OF 1963

The Senate resumed the consideration of the bill (H.R. 4997) to extend the feed grain program.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. H.R. 4997, the Feed Grain Act of 1963.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. Am I correct in stating that, under the unanimous consent agreement entered into, at the conclusion of routine morning business tomorrow, 1 hour, to be divided 30 minutes to a side will be allocated to consideration of each amendment, with one exception; and that on the Hickenlooper amendment—one of several, but a particular one—there will be an allocation of 2 hours, to be divided 1 hour to each side?

The PRESIDING OFFICER. The Senator is correct.

Mr. MANSFIELD. I thank the Chair.

Mr. HICKENLOOPER. Mr. President, this afternoon, for a little while, I wish to discuss the pending bill, before we get into the restriction of limited time on the amendments tomorrow, and to place some information in the RECORD which I hope will be helpful in getting a proper perspective of the legislative situation in connection with the agricultural problem which confronts us.

A number of Members of the Senate have served here longer than I have, but even before I came to the Senate, for a good many years the so-called farm problem was of vital importance in the farm belt of the Middle West. We have run the spectrum of proposals for its solution.

Many proposals which seemed in the past to have had a good deal of promise have never been put into effect. I think

that is especially true of the basic proposals and policies in the farm program of the previous administration. That program was never put into effect in its entirety, and there was never any opportunity to see whether or not it would have worked. I think it would have worked very well. Above all, it would have maintained the freedom of action of one of the last great free enterprise systems of responsibility in the United States.

But here we are again, after a good many years, considering another program for next year.

I agree with those who have said that this is the worst farm bill that has been brought to the floor of the Senate for action, because it and some collateral measures are, in my opinion, definitely designed to further bureaucratic control of the agricultural plant of this country, the ultimate objective of which is to have bureaucrats in the Department of Agriculture tell the farmer what he can plant, when he can plant it, how much he can plant, when he can sell it, and how much he can get for it. He will be put finally in that straitjacket of control which destroys initiative and progress.

Let us look at the record for a moment. We have heard a great deal from Mr. Freeman's department, and statements by Mr. Freeman, about the so-called success of the program in the last couple of years. I have heard such statements before. They have been made a number of times. I am reminded of the man who said that he could not lay an egg, but he could tell a good one from a bad one.

Regardless of the programs we have had, consider the results. What are the results today? Today, in spite of the claims of this administration, in spite of the claims of Mr. Freeman and Dr. Cochrane, who is the guiding genius of the philosophy of controls and the philosophy of this administration, we find that the parity ratio in this country is the lowest it has been since 1931. The possible exception is that a claimed increase of 1 point in the month of April-May has brought the ratio up to equal 1934, or approximately that level.

In any event, the parity ratio, which is a yardstick for evaluation in agriculture—not necessarily a means for price fixing, but a yardstick for evaluation—under these programs and under this administration, is the lowest it has been since the depression in the 1930's. That fact should be of some significance to those who look at results rather than political speeches.

The bulletin I hold in my hand from the U.S. Department of Agriculture arrived yesterday. If we look at the Commodity Credit Corporation operating results and the status of Commodity Credit price support as of March 31, this year, what do they show? The results show that last year, on March 31, the total of loans and inventories, under the heading of "Investment of Commodity Credit Corporation," was \$7,405,087,019. That was on March 31, 1962.

What is the situation of the loans and inventories under the heading of "In-

vestment of Commodity Credit Corporation" on March 31, 1963, a year later, under the programs which are said to have been so successful? That value, as shown by these statistics, is \$8,165,360,294. That is about \$700 million more this year in commodity credit responsibilities and stocks in inventories than last year.

Does that show the success of a program which purports, if one believes in the statements of its sponsors, to reduce surpluses, and storage costs, and to cut down surpluses? Of course not.

Mr. President, these figures bear out the criticisms which some of us directed at the Secretary of Agriculture more than a year ago when he started to "monkey around" with the support price for soybeans, on the idea that it would be an intriguing thing for farmers to increase production of soybeans, thereby decreasing the production of corn. At that time soybeans were carrying themselves in an open market. They were not dependent upon Government supports. The oil and the cake were moving freely. Soybeans were operating in a free, independent market, and the price was good. It was somewhere between \$2.50 and \$2.60.

What is the present situation with regard to soybeans? On March 31, 1962, last year, there were 894 bushels—not thousands or millions, but 894 bushels—of soybeans in storage. In other words, practically none. Soybeans were carrying themselves, moving in a free enterprise market.

After the officials got through tinkering with soybeans, raising the support prices, and inducing increased production, what happened? This year, on March 31, there are 9,405,915 bushels of soybeans stored, because the surplus has gone up under the programs of control that this administration has put into effect.

Are those the figures of a successful agricultural program to reduce surpluses, to relieve the country of the products that have been piling up to the point where they must be given away in order to maintain a program? Not at all. If we go through these figures we will find a net book value of commodities in the Commodity Credit Corporation of almost \$770 million more this year than on March 31 of last year. Does that indicate a successful program?

We now see brought to the Senate from the other body a bill which is alleged to be a continuation of the farm bill we passed last year, operating for 1963, but to apply to the crop of 1964, far in advance. But, is it the same bill?

I have in my hand the study made by the staff of the Senate Committee on Agriculture and Forestry. It is a most able staff. On the subject of agriculture we have some experts there. Here are nine pages of differences in the bill we are asked to take, without amendment, without reasonable preparation for hearings, and without hearings. We are asked to accept this bill. There are nine pages of differences, including some that are fundamental. The interesting thing is that the bill came over about a week

ago from the other body. Let us bear in mind that it does not apply to this year's crop. It applies to 1964.

Under the guise of "emergency legislation," it was forced through the Committee on Agriculture and Forestry, and adequate time was not given for preparation for hearings or for full study of nine pages of differences. These are nine pages of differences and variances from last year's bill. The interesting thing is that before the Committee on Agriculture and Forestry the other day, there was proposed the cotton bill, which is declared to be an emergency bill for the cotton industry, in which it was said an emergency exists. What did the committee do? The committee set aside 10 full days for preparing hearings; not to hold hearings, but to prepare for them.

However, we had to start hearings on the pending bill over the weekend, after it came to us from the House. Why? The reason has been revealed, not only in committee but also on the floor of the Senate. Certain provisions in the bill refer to ability to plant other crops on retired acres if the wheat bill is approved. In my judgment such provisions are considered to be bait for farmers—although they will not work out that way—to vote "yes" on the wheat referendum, which is a control bill for the wheat farmer. Therefore, it is essential to pass the pending bill without amendment before the wheat referendum is held next Tuesday.

A bill that goes to the vital structure of the American feed grain industry is not permitted to be amended. A number of amendments which will be offered are vitally important and should be adopted to make the bill conform. As I have said, these amendments will be voted down with the regularity of a metronome. They will be voted down with the overwhelming power of the Democratic majority, being supervised and directed by the Department of Agriculture and the administration in the White House. That is what will happen. I am a realist enough to know that.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. ELLENDER. I know that the Senator would not wish to misrepresent the situation. There is nothing major in the pending bill with regard to the wheat program. The Senator well remembers that last year in the wheat bill that was enacted into law there was included this provision, section 328 which provided for substitution as between wheat and feed grains:

SEC. 328. Effective with the 1964 crop, during any year in which an acreage diversion program is in effect for feed grains, the Secretary shall, notwithstanding any other provision of law, permit producers of feed grains to have acreage devoted to the production of feed grains considered as devoted to the production of wheat and producers of wheat to have acreage devoted to the production of wheat considered as devoted to the production of feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program for feed grains or wheat.

As I remarked yesterday, and as I am saying now, it is imperative for the wheat and feed grain growers to know whether or not there will be a feed grain diversion program in effect before wheat farmers can vote intelligently. As I said, there is nothing major in the pending bill that even refers to the wheat bill on which the referendum will be held, or has anything to do with it. However, the fact that many feed grain producers also grow wheat makes it mandatory that all knowledge of the laws that will affect such producers be on the books before the referendum. How else could a producer vote intelligently?

Mr. HICKENLOOPER. Mr. President, I call attention to the language on page 7 of the pending bill, beginning at the second line from the top, which reads:

The term "feed grains" means corn, grain sorghums, barley, and, if for any crop the producer so requests for purposes of having acreage devoted to the production of wheat considered as devoted to the production of feed grains, pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962, the term "feed grains" shall include oats and rye.

This provision ties it into the wheat bill.

Mr. ELLENDER. But that is for the purpose of adding rye as an additional commodity.

Mr. HICKENLOOPER. The Senator from Louisiana and I might argue technicalities for quite a while. The net result, whether it is the wheat bill or the feed grain bill, is that a combination is attempted to be created between the pending bill and the wheat bill, and the pending bill is to be used as a lever to get a "Yes" vote on the wheat bill. There is that interchangeable feature; and whether it is in the wheat bill or in the feed grain bill makes very little difference. It is the mechanical operation that is important.

Mr. ELLENDER. Does not the Senator concede that in voting on the wheat bill a farmer is entitled to know whether there will be a feed grain program, so that it will conform with the section from which I have read?

Mr. HICKENLOOPER. Nothing was done last year, when the referendum was set up, to provide that he would know what the feed grain program would be later.

It was all contained in the same bill.

Mr. ELLENDER. I understand, but that refers to 1964.

Mr. HICKENLOOPER. This is a new bill.

Mr. ELLENDER. But it refers to feed grains in 1964. At that time it was stated that the law would be extended.

Mr. HICKENLOOPER. Mr. President, before I proceed to another portion of the subject, I ask unanimous consent to have printed in the RECORD an analysis of the difference between the bill now being considered and the legislation already on the books, consisting of the eight or nine pages to which I referred a while ago, and as developed by the staff of the Committee on Agriculture and Forestry.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SEC. 3. 1964 and 1965 crop feed grain diversion programs: Section 3 authorizes voluntary feed grain diversion programs similar to the 1963 program, but differing from that program in the following respects:

1. The Secretary was directed to carry out the 1963 program, whereas the bill authorizes 1964 and 1965 programs only if the feed grain supply would otherwise be excessive;

2. The 1963 program applied to corn, grain sorghums, and barley, while the bill includes, in addition, oats and rye if the producer so requests for purposes of having acreage devoted to the production of wheat considered as devoted to the production of feed grains pursuant to section 328 of the Food and Agriculture Act of 1962. Inclusion of oats and rye would not affect the acreage of corn, sorghums, or barley required to be diverted as a condition of price support;

3. Diversion payments under the 1963 program were based on the 1962 basic county support rate adjusted to reflect the difference between the 1962 and 1963 national support rate and the farm's adjusted average yield for 1959 and 1960. A special adjustment was authorized to reflect increased yields since 1959 and 1960 resulting from the improvement or adoption of an irrigation system in certain cases. Under the bill diversion payments are based on the estimated basic county support rate and the adjusted average yield for 1959-62, inclusive, in the case of the 1964 program, and 1959-63, inclusive, in the case of the 1965 program. No special adjustment is provided with respect to irrigation systems;

4. The 1963 authorizing legislation provided for (1) payments in cash or kind on an acreage equal to 20 percent of the base acreage (and this provision is frequently construed as fixing the minimum participation in the program), and (2) payments in kind only on up to an additional 30 percent. The Secretary has elected to make all payments under the 1963 program in kind. (The producer actually receives cash if he so desires, since the Commodity Credit Corporation will advance him the full face value of his payment in kind certificate and market his certificate for him.) The bill provides that all payments shall be in kind;

5. The bill adds mustard seed to the crops which the Secretary may permit to be planted on the diverted acreage subject to a reduction in the diversion payment;

6. The bill provides that the average acreage of wheat produced on the farm during the crop years 1959, 1960, and 1961, for use on the farm pursuant to the exemption provided by section 335(f) of the Agricultural Adjustment Act of 1938 (prior to amendment of section 335 by the Food and Agriculture Act of 1962) in excess of the small farm base acreage for wheat shall be considered as an acreage of feed grains produced in 1959 and 1960 for purposes of establishing the feed grain acreage for the farm, and a fair and reasonable payment rate shall be determined for the diversion of such acreage. The crop years 1959, 1960, and 1961 are understood to mean the years in which the 1959, 1960, and 1961 crops were produced. No similar provision was contained in the 1963 program, since the feed wheat exemption provided by section 335(f) is effective through the 1963 crop of wheat;

7. The bill authorizes the Secretary, upon unanimous request of the State committee, to adjust farm feed grain bases within any county or within the State to the extent necessary to establish fair and equitable bases. This provision was added by an amendment offered by Congressman SMITH

on the House floor and is not comparable to any provision of the 1963 program.

8. The bill limits the amount of feed grain price support and diversion payments for any acre involved to not more than 20 percent of the fair market price of such acre. This was added on the floor of the House by an amendment offered by Congressman MICHEL and is not like any provision of the 1963 program.

9. The bill provides that up to 1 percent of the estimated total feed grain bases in any State for any year may be deducted from the farm feed grain bases and apportioned to farms on which no acreages were devoted to feed grains on the basis of specified factors and such other factors as the Secretary deems appropriate. Farms receiving such apportionments would not be eligible for conservation payments for the first year for which apportionment is made. The 1963 program contained no similar provision;

10. By an amendment offered on the floor of the House by Congressman MICHEL, the following language, which was included in the law covering the 1963 program, and in H.R. 4997 as reported by the House Committee on Agriculture, was deleted from the bill:

"Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1964, and to pay such costs as may be incurred in carrying out paragraph (4) of this subsection."

The deletion of this language has the effect of requiring that an appropriation for administrative expenses of the Secretary be obtained before the program can be promulgated. Other provisions which remain in the bill, not affected by the amendment, authorize the Secretary to use Commodity Credit Corporation to finance the program costs by redeeming certificates and assisting producers in the marketing thereof, but the change will mean that the Department will have to obtain an appropriation covering administrative expenses of the Secretary before it can proceed with the program.

11. Under the law applicable to the 1963 program the value of feed grains delivered by Commodity Credit Corporation in redemption of payment-in-kind certificates was not required to include an allowance for carrying charges. (However the Department administratively committed itself to include such an allowance.) The bill provides that in the case of diversion payment-in-kind certificates, the feed grains shall be valued at not less than the current support price, minus that part of the current support price made available through payments in kind, plus reasonable carrying charges.

12. The law applicable to the 1963 program authorized the Secretary to limit participation in the program in the event of emergency or a threatened shortage. The bill does not contain such a provision, but authorizes the Secretary, by mutual agreement with the producer to terminate or modify any agreement if necessary because of such an emergency or threatened shortage. The 1963 provision is not considered needed in the bill since the Secretary is not required to promulgate programs in 1964 or 1965 as he was for 1963. The new provision would take care of emergencies arising after the program has been made effective.

Section 3 of the bill adds a new section 16 (h) to the Soil Conservation and Domestic Allotment Act to provide that for the 1964 and 1965 crops, the Secretary may, if he determines that the total supply of feed grains will likely be excessive in the absence of an acreage diversion program,

formulate a feed grain program under which payments shall be made to producers who divert acreage from the production of feed grains to an approved conservation use and increase their average acreage devoted in 1959 and 1960 to designated soil-conserving crops or practices, including summer fallow and idle land, by an equal amount. Such payments shall be made in kind in an amount not in excess of 50 percent of the estimated basic county support rate, including that part of the support price made available through payments in kind, multiplied by the normal production of the acreage diverted from the commodity based on its adjusted average yield per acre. The base period for the purpose of determining the adjusted average yield for payments for the 1964 crop shall be the 4-year period 1959-62 and for payments for the 1965 crop shall be the 5-year period 1959-63.

The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, and flax, when such crops are not in surplus supply, subject to the condition that no price support shall be made available for the production of such crop and payment for such acreage shall be at a rate determined by the Secretary to be fair and reasonable not to exceed one-half the regular rate.

The term "feed grains" under the new section 16(h) means corn, grain sorghums, and barley. The term "feed grains" also includes oats and rye if the producers on a wheat farm so request for the purpose of having acreage devoted to the production of wheat considered as devoted to the production of feed grains pursuant to section 328 of the Food and Agriculture Act of 1962. However, permitted acreages of oats and rye under the diversion program may not be planted to corn, grain sorghums, and barley.

The acreage eligible for participation in the program shall be such acreage as the Secretary determines necessary to achieve the acreage reduction goal for the crop but not in excess of 50 percent of the average acreage on the farm devoted to feed grains in 1959 and 1960 or 25 acres, whichever is greater.

The average acreage of wheat produced on the farm in 1959, 1960, and 1961, pursuant to the exemption in section 335(f) of the Agricultural Adjustment Act of 1938 prior to amendment of section 335 by the Food and Agriculture Act of 1962, in excess of the small farm base for wheat established under section 335, as so amended, will be considered as an acreage of feed grains for purposes of establishing the feed grain base and the rate of payment for diverting such acreage shall be established in a fair and reasonable amount in relation to the rates of payment for diverting feed grains.

The bill contains authority allowing the Secretary to provide that malting barley producers can plant 110 percent of their 1959-60 barley acres to an acceptable variety of malting barley and still participate in the program for corn and grain sorghums.

Not to exceed 1 percent of the estimated total feed grain bases for all farms in the State for any year may be reserved for apportionment to farms with no 1959 and 1960 history on the basis of specified criteria and such other factors as may be appropriate. Farms on which feed grain bases are established from this reserve shall be ineligible for diversion payments for the first year the base is established.

The Secretary may make adjustments in acreages and yields as he determines necessary to correct for abnormal factors affecting production and to give due consideration to tillable acreage, crop-rotation practices, type of soil, soil and water conservation measures, and topography. If the producer proves the

actual acreages and yields for the farm, such acreages and yields shall be used in making determinations. Upon unanimous request of the State committee, the Secretary may adjust farm feed grain bases in any State or county to the extent necessary to establish fair and equitable feed grain bases for farms in such State or county. The sponsor of this provision, Congressman SMITH of Iowa, stated that it would not increase the total base acreage, or the base acreage for the State, but would provide authority to adjust acreages between farmers.

The Secretary may make not to exceed 50 percent of any payments to producers in advance of determination of performance. The diversion and price support payments made in 1964 or 1965 with respect to any acre of land could not exceed 20 percent of the fair market value of such acre. It should be noted that price support payments are made with respect to planted acres and diversion payments are made on diverted acres, so that there would not be both types of payments on the same acre. In other words, price support payments would be limited to not more than 20 percent of the fair market value of the acreage on which feed grains are produced, and diversion payments would be limited to not more than 20 percent of the fair market value of the acreage diverted.

Payments are to be shared among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

The bill provides that payments in kind are to be made through the issuance of negotiable certificates redeemable by the Commodity Credit Corporation for feed grains. Commodity Credit Corporation will assist the producer in the marketing of such certificates. Feed grains with which Commodity Credit Corporation redeems the negotiable certificates shall be valued at not less than the current support price minus that part of the current support price made available through payments in kind, plus reasonable carrying charges. If a certificate is not presented for redemption within 30 days of its issuance, reasonable costs of storage and other carrying charges may be deducted from the value of the certificate.

Under the terms of the bill, the Secretary could, by mutual agreement with the producer, modify, or terminate any agreement previously entered into if he determines such action is necessary because of an emergency created by drought or other disaster to alleviate a shortage in the supply of feed grains.

Mr. HICKENLOOPER. Mr. President, another phase of the proposed legislation which I think is very important is the unprecedented and, I believe, illegal activities of the ASC committeemen throughout the country who were coerced by the authority and power of the Secretary of Agriculture and the Department of Agriculture into lobbying for a "yes" vote on the wheat referendum. I say coerced because I believe there was coercion; I say illegal because I believe it is contrary to the law creating the ASC Committees, and setting forth their responsibilities and duties, that those committeemen should be used for the affirmative promotion of legislation in the National Congress. I believe the law is clear that the responsibilities and duties of ASC committeemen are limited to the explanation of laws already enacted and in effect, and to service to farmers in connection with the law in effect, and that it is illegal and contrary, not only to the spirit, but also the letter of the law, that committeemen be urged and practically directed to go out in their

townships and among their members and friends to urge that farmers vote for or against a proposal of this kind.

Mr. LAUSCHE. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. LAUSCHE. What about the interests of the taxpayer who does not agree with the program, but whose tax money is used by the Department of Agriculture to espouse a cause to which the particular taxpayer does not subscribe? I have in mind the situation that prevails in labor unions, in which a part of the dues is used to promote the cause of one political party as against that of another political party. I do not subscribe to what has been happening in the expenditure of tax money in promoting a cause to which perhaps I do not subscribe. I should like to have the Senator from Iowa discuss that aspect of the situation.

Mr. HICKENLOOPER. I thoroughly agree with the Senator's view. It is a reprehensible practice; there is no question about it. I refer the Senator to the hearings, for which, unfortunately, there was very little time to prepare. The Secretary of Agriculture testified at the hearings. A substantial portion of the time was devoted to an examination of him by me with regard to the use of the Federal franking privilege, the use of Federal stationery, and the authority of the ASC county committees and directors of the ASC to urge an affirmative vote on this proposal, while presenting only the arguments of the Secretary of Agriculture, but never presenting to the farmers the arguments on the other side of the question. The hearings contain evidence of the use of Federal machinery to send out editorials on the "yes" side of the question; but there is no evidence of the sending out of any editorials or articles calling attention to the control features and the dangers to a free agriculture which would result from the proposed legislation. It is a one-sided presentation.

There is evidence of \$900 being furnished to one county—I do not know how many \$900 payments were made to other counties—for the purpose of having ASC committees hold social events among farmers, so as to induce them to vote "yes" on the referendum. That is public money. It is the money of the Senator from Ohio; it is my money. I think it is the most flagrant use of public officials, who under the law are not supposed to be used in that way. It is the greatest, most flagrant, coercive effort I have ever known to get Government employees to go out and present, at the grassroots, a particular idea which may be advanced or espoused by the Secretary of Agriculture or his mentor, Dr. Cochrane. I think it is a serious thing. American farmers and the American agricultural plant should be aware of it.

Mr. LAUSCHE. Mr. President, will the Senator further yield?

Mr. HICKENLOOPER. I yield.

Mr. LAUSCHE. In Ohio there are 150,000 farmers; 120,000 of them devote less than 15 acres to the growing of

wheat. They grow Soft Winter wheat, which is not in scarcity. I am sure there will be substantially divided opinion on whether severe controls should be put into effect. It strikes me that those who do not agree with the Secretary of Agriculture should not be exploited by having their money used to finance a propaganda program contrary to what their thinking is. I do not believe that that is morally proper. Whether the law permits it or does not permit it, I do not know; but I believe the Department of Agriculture ought to impose some restraint upon itself and give all farmers an equal opportunity to present their cause, and not use the taxpayers' money solely for the promulgation of the thinking of the Department of Agriculture and those who agree with the Department, while the thinking of the farmers and other citizens who do not agree with those recommendations is negated.

Mr. HICKENLOOPER. I thank the Senator from Ohio. I agree with him. I call the Senator's attention to the record of the hearings. I did not ask to have the full text of each speech placed in the record of the hearings. However, I have a list of speeches made by Department of Agriculture officials, including the Secretary of Agriculture. I have copies of those speeches before me, with the passages marked in each speech, repeatedly calling for a "yes" vote. Those speeches were made to various farm groups and farm organizations throughout the country. They do not include all the instructions or speeches to the people at the grassroots to spread out and advance this philosophy, to make it perfectly clear.

I believe the Secretary of Agriculture has a right and a responsibility personally to propose and advance theories, whether I agree with them or not. That is his right and responsibility.

Mr. LAUSCHE. I agree to that.

Mr. HICKENLOOPER. He is a part of the administration, and he may do that. And those in policymaking positions under him are privileged to support those opinions.

My complaint goes to the use of the power of the Secretary of Agriculture and those under him in policymaking positions over the jobs of the ASC committeemen at the grassroots, as to which the law is clear that it is not a part of their responsibility. In fact, under the connotation of the law, they are prohibited, in my judgment, from taking a partisan view of such a proposal. Nevertheless, the word has gone down the line, "Boys, go out on the highways and byways, knock at the farm doors, and get a 'yes' vote on this referendum."

Mr. LAUSCHE. Will the Senator from Iowa elaborate on the distribution of the \$900 to certain counties?

Mr. HICKENLOOPER. Yes. I have one of the bulletins, which went out, giving notice on that subject. It also states what kind of entertainment should be provided, and so forth.

Mr. LAUSCHE. It strikes me, on the basis of commonsense and the application of simple rules of ethics, that the money of the taxpayers should not be

used to promote one cause, but should not be used at all to promote the cause of the opponents. What right has the Federal Government to use my taxes to advocate, through the expenditure of that money, a program with which I do not agree?

Mr. HICKENLOOPER. It has no right to do so.

Mr. LAUSCHE. Furthermore, I think the Secretary of Agriculture owes the people of the country the duty of expressing his views.

Mr. HICKENLOOPER. I agree. I have tried to state that in committee, and I have also stated it on the floor. But there is a difference between carrying out his responsibility as a policymaker and the duties and restrictions, under the law, applying to Government employees at the grassroots, whose duty it is to serve the farmers, rather than to coerce or, in some cases, through their arguments do what I believe amounts to misleading the farmers as to the benefits of this program.

I hold in my hand a copy of the bulletin which was issued. It is on the stationery of the U.S. Department of Agriculture, Agricultural Stabilization and Conservation Service, Circle, McCone County, Mont. A letter was addressed to Representative JIM BATIN, signed by E. R. Merriman, chairman, McCone County ASC Committee; Harold Meissner, vice chairman, McCone County ASC Committee; Milo O. Hilstad, regional member, McCone County ASC Committee; and Francis D. Kelly, county office manager, McCone County ASC. In this letter are set out the instructions which had been received; and they were objecting to them, because they were outside their duties. But in the letter they say:

Those instructions were, in brief:

1. The county committee was to select and contact four local farmers who favor a "yes" vote to serve as promotional men between now and referendum day. It was our understanding that these people would work with the newly formed Wheat Commission in disseminating material on the wheat referendum.

2. The county officials were informed—

These were the ASC officials—

that a fund slightly in excess of \$900 had been made available and was earmarked for use in McCone County to promote a "yes" vote.

That is Government money, and that was admitted, finally, by the Secretary at the hearings.

I read further:

It was suggested that this money be used in the following manner—Hold three meetings with the community committee to discuss and encourage a "yes" vote. It was suggested that one of these meetings be held in the evening with a "potluck" dinner where the wives would be present and county office officials could socialize with community committeemen and their wives for the purpose of encouraging conversation on ways to get out a "yes" vote.

That is Federal money.

Here is a photostatic reproduction of the Billings Gazette, of Billings, Mont., of Saturday, April 27, 1963, giving the story of these McCone County officials who objected to that use of Federal

money and objected to their being directed to engage in that kind of lobbying activities.

Mr. LAUSCHE. Mr. President, will the Senator from Iowa yield for a further question?

The PRESIDING OFFICER (Mr. BREWSTER in the chair). Does the Senator from Iowa yield to the Senator from Ohio?

Mr. HICKENLOOPER. I yield.

Mr. LAUSCHE. What logical explanation, if any, is given to justify the expenditure of the taxpayers' money in prosecution of the program outlined in that letter?

Mr. HICKENLOOPER. The rather strange explanation, in effect, given by the Secretary of Agriculture was that he had a duty to inform the people. I could agree that he has a duty to inform the people. But this situation is something like that of the man who said he was going to be neutral: If he is more neutral on one side than on the other, that is not a neutral operation. The entire gist of his so-called "informing the public" was to present only one side of the issue, rather than to explain both sides of it. We have illustrations of that—and they are set out in the hearings. They show that Government mailings were used in various counties to send out certain editorials which advocated a "yes" vote. But, so far as we know, they never sent out even one news story pointing out the evils which would result to the farmers. I referred to one illustration, because it was so apt: In another State, an editorial from the Des Moines Register, of my home State, was circulated, which advocated a "yes" vote. It was circulated through the medium of the ASC's; but in the same newspaper there was an article, written by one of the most famous and able columnists in Washington, who represents the publication; and in the article he pointed out that the farmer's freedom would be destroyed if the policies followed the lines of the wheat referendum.

The Department of Agriculture picked up the favorable "yes" story and circulated it at Government expense, but it did not pick up and circulate the story that pointed out the evils and pitfalls in the wheat referendum. It is that kind of business to which I object.

So far as I know, for a good many years every Secretary of Agriculture prior to the present Secretary has taken the position that neither ASC committeemen nor other employees of the Department at the working level of the farmers are to be used for such purposes. In fact, it is illegal to use them. There is evidence of that.

What has happened? I do not know whether Senators have heard about the so-called famous loyalty oath that the Secretary has now forced on the ASC committeemen in our country, but here it is. It is contained in the March 1, 1963, issue of the Federal Register.

Bear in mind that when something is published in the Federal Register, it becomes the law and the gospel. But it is not contained in the basic law at all. What the Secretary has said and published in the Federal Register appears

under the title "County and Community Committeemen." The statement is as follows:

The terms of office of county and community committeemen and alternates to such office shall begin on the first day of the month next after their election, provided, however, that before any such county committeeman or alternate county committeeman may take office—

I ask Senators to listen particularly to the following:

he shall sign a pledge that he will faithfully, fully, fairly, and honestly perform, to the best of his ability, all the duties devolving on him as a committeeman—

What follows is really the meat of the statement:

and that he will support the programs he is called upon to administer. A term of office shall continue for 12 months or until a successor has been elected and qualified.

When that statement was called to the attention of the Secretary in the hearings, he said, "That is merely a repetition of what has been on the books for a long time, with a little embellishment."

We checked it out and found that it was unprecedented and an innovation. It is a new loyalty oath which would swear the people concerned to support anything the Secretary of Agriculture tells them to support, whether they believe it or not. It takes them out of the category of people serving the farmers and makes them tools at the political direction of the Secretary of Agriculture.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. WILLIAMS of Delaware. Is not what the Senator read an extension of a directive issued about a year ago by the Secretary to the employees of the Department of Agriculture directing them not to make speeches against the administration's program, but when we got into the question and examined it, we found that the employees were threatened with being fired if they made speeches against the program. Finally Mr. Macy, Chairman of the Civil Service Commission, overruled that decision and made the Department change it.

Mr. HICKENLOOPER. Yes; it is a part of the same pattern.

Mr. WILLIAMS of Delaware. There has been an effort and determination on the part of the administration to make the farmers fall into line, or else.

Mr. HICKENLOOPER. The Senator is correct. I should like to present the final clincher as it appears in the Federal Register on the same date, March 1, 1963. We all know that if the ASC committeemen do not perform their duties under the law, or refuse to do so, they can be fired as any other employee can be fired, for cause. But I ask Senators to listen to the following statement entitled—"Secretary, Administrator, or Deputy Administrator not precluded from exercising authority."

The following is the provision:

Nothing in these regulations shall preclude the Secretary, Administrator, Agricultural Stabilization and Conservation Service, or Deputy Administrator, State and county operations, Agricultural Stabiliza-

tion and Conservation Service, from administering any or all programs or exercising other functions delegated to the community committee, the county committee, State committee, or any employee.

The provision states in a few words that at any time the Secretary desires to do so, he may fire the whole kit and caboodle. He may take over their jobs. They are out. He may substitute other people for them, in spite of the fact that the ASC people are supposed to be elected by their friends and neighbors and serve their friends and neighbors. The Secretary can remove them at any time he wishes to do so. A life and death decision over jobs is held in the Department of Agriculture under that provision.

The provision continues:

In exercising this authority, either the Secretary, Administrator, or Deputy Administrator may designate a person or persons of his choice to be in charge with full authority to carry on the programs or other functions without regard to the committee, committees or their employees for such a period of time as may be necessary.

If we wish to talk about the spoils system, direction, control and coercion from the top, we have it in the loyalty oath and the ability which the Secretary has created for himself to fire at will and to take over responsibilities at will without any cause whatsoever.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. LAUSCHE. The Secretary of Agriculture might be justified in expecting the employees of his Department to perform fully their duties required under existing law. I can see that he could exact from an employee a commitment that he will faithfully enforce existing laws, and see that they are carried into effect.

Mr. HICKENLOOPER. And administer the law. The Senator is correct.

Mr. LAUSCHE. Seemingly, under that oath the Secretary of Agriculture could exact from an employee an absolute commitment that the employee would further and support a program not then in existence.

Mr. HICKENLOOPER. There is no question about it.

Mr. LAUSCHE. On the latter aspect of the problem, I would say that simple rationality and a simple ethical approach would not justify the Secretary of Agriculture in saying to an employee, "You commit yourself to support this new program which has been evolved, and unless you support that new program you put yourself in danger of being severed from the administration."

Mr. HICKENLOOPER. I point out to the Senator that it goes even further than that. The regulation which I last read to the Senator does not provide that the Secretary or his subordinates may move in and take over if the committees or committeemen do not do their job. It does not so provide at all. It blankly provides that any time the Secretary desires to move in and take over, regardless of cause, he can move in.

The regulation had provided that in the event any committeeman or committees failed to perform the necessary

functions of administering the existing law, the Secretary is warranted in moving in and replacing the deficient committeeman or committeewoman who is failing to do his or her duty. There would be nothing wrong with that, in my opinion. The statement I have read does not so provide. The Secretary would not need an excuse. A committeeman might be working like a beaver, and yet the Secretary could throw him out and put somebody else in, in spite of the fact that the committeeman had been elected by his friends and neighbors.

Mr. LAUSCHE. I thank the Senator.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield to the Senator from Louisiana.

Mr. ELLENDER. Is it not a fact that several letters were produced by the distinguished Senator from Iowa, wherein the committeemen were opposed to the program, and the Secretary made no effort to remove them?

Mr. HICKENLOOPER. Some letters were produced, to show that committeemen were opposed to the program.

Mr. ELLENDER. The Senator from Iowa produced them.

Mr. HICKENLOOPER. I say, some letters were produced, to show that the committeemen were opposed. I do not know whether the Secretary made any effort to remove them or not, and I do not know what he will do after the bill is passed.

Mr. ELLENDER. The record shows he did say that.

Mr. HICKENLOOPER. He had not, up to that time.

Mr. ELLENDER. He did say that he would not remove them, that he had no right under the law to do so. That was the effect of it.

Mr. HICKENLOOPER. It is clear and unequivocal under this regulation. I do not know how anyone could read it any other way.

Mr. ELLENDER. That is administrative, as the Senator from Ohio stated.

Mr. HICKENLOOPER. Certainly.

Mr. ELLENDER. With respect to doing regular work one might apply that provision, but the Senator cited case after case, as I remember, in which a committeeman was opposing the referendum, and nothing has been done. Nothing will be done.

Mr. HICKENLOOPER. I would not be able to say.

Mr. ELLENDER. So the Secretary of Agriculture stated.

Mr. HICKENLOOPER. I am willing to concede, on the Record, that nothing had been done up to that time. I am not willing to concede that nothing will be done about these men when they get this thing out of the woods. I would rather tremble for their jobs, if they want to keep them.

Mr. ELLENDER. They are not appointed by the Secretary; they are elected by the farmers.

Mr. HICKENLOOPER. They could be removed, under this regulation, without any excuse, at the whim of the Secretary.

Mr. ELLENDER. But they are elected by the farmers.

Mr. HICKENLOOPER. Yes.

Mr. ELLENDER. Exactly.

Mr. HICKENLOOPER. That is the curse of it. They are elected by the farmers, but the Secretary could remove them at will without cause or shortcoming, if he so desires, under this regulation.

Mr. ELLENDER. The Senator asked a question about the \$900, as shown at the bottom of page 75 of the hearings before the Senate committee. I read from the hearings:

Senator HICKENLOOPER. I thought in view of the discussion a while ago about the \$900 being available in this one county for holding barbecues and meetings and socializing affairs, that it might probably extend to per diem and mileage and so on, of the ASC committees. But I think the record will have to show that at some later date when we can get to it.

Secretary FREEMAN. The \$900 is to conduct the referendum.

Senator HICKENLOOPER. Conduct the election? Including the socializing meetings and the free eating for advocating.

Secretary FREEMAN. Sir, you are very persistent to put words in my mouth. What I said was the \$900 was to carry forth the referendum because the county committee in question had not allowed funds to do this. They asked for some \$8,000 increase. They got \$900. We had the mandate of the Appropriations Committee very much in mind and we did not give them what they asked.

As the Senator recalls, certain pamphlets were printed which were distributed in this particular county and in other counties, and that is what the \$900 was to be used for. It will be used, as the Secretary stated, to conduct the election. They will need booths.

Mr. HICKENLOOPER. Again I will read what the county committeeman there said about the \$900, so that there will be no uncertainty about it.

Mr. ELLENDER. He was the one against the referendum, was he not?

Mr. HICKENLOOPER. There are four of them. Four of them signed the letter. They said:

The county officials were informed that a fund slightly in excess of \$900 had been made available and was earmarked for use in McCone County to promote a "yes" vote.

That does not say anything about conducting a referendum. It says "to promote a 'yes' vote."

Mr. ELLENDER. Who signed that?

Mr. HICKENLOOPER. I read the names awhile ago.

Mr. ELLENDER. I understand they were against the referendum.

Mr. HICKENLOOPER. It was signed by E. R. Merriman, chairman, McCone County ASC; Harold Meissner, vice chairman, McCone County ASC; Milo O. Hilstad, regional member, McCone County ASC; and Francis D. Kelly, county office manager, McCone County ASC.

I read further from their letter:

It was suggested that this money be used in the following manner:

Hold three meetings with the community committee to discuss and encourage a "yes" vote. It was suggested that one of these meetings be held in the evening, with a pot-luck dinner where the wives could be present, the county officials could socialize with community committeemen and their wives

for the purpose of having conversation on ways to get out the "yes" vote.

Nothing is said about a referendum. It was "to get out the 'yes' vote." That is what they say the \$900 was for. I was not there. I did not see any part of the \$900. All I know is what these people stated in their letter.

Mr. ELLENDER. I am sure the Senator wishes to be accurate. Let us see what the Secretary of Agriculture said about this:

Senator HICKENLOOPER. I think it is easily established—

Mr. LAUSCHE. Mr. President, from what is the Senator reading?

Mr. ELLENDER. I am reading from the top of page 91 of the hearings:

Senator HICKENLOOPER. I think it is easily established—the fact is easily established that the instructions went out from that local headquarters. Whether they went back up and were authorized and directed at the top, I am not certain.

Secretary FREEMAN. This is not correct. I think that we ought to be a little accurate if we are going to mention the \$900 so that there will be that—I know that you would want a factual record—that there was a discussion between a farmer fieldman and a county chairman as to certain funds that had been requested by the county. Now, the nature of that discussion and what was said seems to be very strong difference of opinion about it.

What you relate is what the county chairman said the farmer fieldman said. What they believe was said to the county chairman is quite diametrically different; and therefore, I guess in that kind of thing you take your choice, but this is, certainly not an established fact and the record ought to show that.

Senator HICKENLOOPER. In Arizona the ASC organization there, the chairman of the Arizona ASC State committee, sent to all county and community ASC committeemen and county office managers, on the stationery of the Department of Agriculture, a bulletin on May 21, 1963—no; it was sent out on April 11, 1963—they have a date of May 21, 1963, on it. I got the date of the referendum first.

Mr. O. W. Rugg signs this. He does that apparently as State chairman. Among other things, this says:

"For whatever reason, an organized campaign is being waged to coerce the wheat farmers of the country into voting no.

"The issues involved are not being accurately or impartially discussed and analyzed. Misinformation, distortion, emotionalism, and all manner of pressure tactics are being employed. Whether or not the wheat farmers understand specifically why they should vote no, or whether or not such a vote would be in their own or the Nation's best interests, aren't being given such consideration."

This is in the official bulletin sent out to the community ASC committeemen, the county office managers by the chairman of the Arizona State committee.

He says further, under the heading of "Misinformation," which he referred to above:

"The new act and the economic importance of wheat would make it necessary for us to assign the highest priority to the wheat program even if there were no organized opposition. Unfortunately, so much misinformation is being spread that we must work doubly hard to make the program understood.

"An illustration is recounted in a news story in the Des Moines Register, March 30. The reporter, Charles Bailey, states:

"The actual text of Freeman's remarks indicates that the quote used by Shuman is not only out of context, but inaccurate. This reporter was among a half a dozen newsmen who flew from Washington and heard these speeches."

I am not too sure that is appropriate to my particular comment.

The Senator admits that, I presume. The Senator remembers that, does he not? It is in the hearings.

Mr. HICKENLOOPER. Remember what?

Mr. ELLENDER. That the quotation was inappropriate to what he was trying to prove. That appears at the bottom of page 91 of the hearings.

Mr. HICKENLOOPER. Yes. I said that.

Mr. ELLENDER. Certainly.

Mr. LAUSCHE. Mr. President, will the Senator read again the oath that is required?

Mr. MANSFIELD. It appears on page 35.

Mr. LAUSCHE. Mr. President, will the Senator yield for a statement?

Mr. HICKENLOOPER. Yes, I yield.

Mr. LAUSCHE. It seems to me that, regardless of what the Secretary of Agriculture says his action will or will not be with regard to a violation of that oath, the fact remains that when the oath is exacted the person who takes the oath is placed under a threat, and the result must in many instances be a fear of violating the oath. Whether the persons are to be separated from their employment, or whether disciplinary action is to be taken or not taken to alleviate the wrong, the fact is that everyone who is working in pursuance of this program realizes the commitment which was made and that the violation of it might bring disciplinary action.

Mr. HICKENLOOPER. This is an "or else" order—"You either do it or else."

Mr. LAUSCHE. Yes. Even though nothing is done, the fact is that it has a coercive impact.

Mr. HICKENLOOPER. That is correct. There is no question about it.

Mr. LAUSCHE. I do not believe the Senator from Louisiana has heard what I have said, but it is no answer to me to say that the Secretary of Agriculture has made the statement that no disciplinary action has been taken, and that no action will be taken. The state of mind of the person upon whom it operates must be "I have taken an oath. I must support the program. Even though the Secretary says he will not take disciplinary action, to be honest with myself, to be honest with the declared commitment I made, I had better support the program which the Secretary of Agriculture is promulgating."

Mr. HICKENLOOPER. Yes, because the man can well say, "Because I have already signed a commitment to do it, I had better do it."

Mr. LAUSCHE. That is what I had in mind.

Mr. HICKENLOOPER. He could also say, "I was required to sign and required to commit myself in advance, before I was permitted to take office."

Mr. LAUSCHE. To the contrary, if the Secretary did not expect the oath to

be fulfilled, why did he ask that the oath be taken? Does he mean to say that a breach of the oath is thoroughly proper? He certainly cannot say that.

Mr. HICKENLOOPER. The Senator has raised a point of administrative morals. There is no question of it. What is the purpose of the oath if violators of the oath are not to be punished?

Mr. LAUSCHE. If the Secretary states that, "Even though you violate the oath, no action will be taken," does he mean to imply that he exacted an oath and did not expect it to be fulfilled? If he contemplated that course of action, I think the whole subject would become more reprehensible than it was in the beginning.

Mr. HICKENLOOPER. I thank the Senator for his contribution.

Mr. KEFAUVER. Mr. President, does the Senator from Iowa yield the floor?

Mr. HICKENLOOPER. No. I still hold the floor. I may not be speaking loud enough for the Senator from Tennessee to hear me—

Mr. KEFAUVER. Will the Senator yield for a short time?

Mr. HICKENLOOPER. I am just looking for a paper that has been mislaid on the desk. How long does the Senator wish me to yield to him?

Mr. KEFAUVER. Five or six minutes.

Mr. HICKENLOOPER. I could not yield for that length of time, because I expect to be through in that time, myself. If the Senator will be patient, I shall finish very shortly.

Mr. President, I shall have an opportunity tomorrow to put certain information in the RECORD. I have a confusion of papers at my desk, and I misplaced one I wanted to use.

I ask unanimous consent to insert in the RECORD at this point in my remarks an article in Wallace's Farmer of April 20, 1963, under the heading of "Washington Report—Wheat Vote Will Leave Scars!"

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Wallace's Farmer, Apr. 20, 1963]

WASHINGTON REPORT—WHEAT VOTE WILL LEAVE SCARS

"Where it simply a matter of winning this thing on a vote-for-vote basis, I believe we could do it; I wouldn't be worried. But when you need two votes for your opponents' one, it's a different situation. I just can't be very optimistic."

This studied appraisal by a high Federal official refers, of course, to the upcoming wheat referendum. A career man here says it even more succinctly: "We are running scared."

Despite, or perhaps because of, this attitude of underdogism (an attitude which policymakers do their best to hush) USDA wages a no-punch-pulled battle to salvage a victory. The fact that both sides are determined to win regardless of cost becomes increasingly obvious each day.

Win or lose, the cost promises to be high. In dollars alone, it's big money. But the cost will not be paid in dollars alone. Scars from the battle may long outlast results of the referendum itself.

Justified or not, USDA—as a Federal agency—draws more than its share of criticism for conduct of the ensuing battle. USDA men contend they were left no choice other than to defend the certificate plan in

an effort to offset the smear efforts of opponents. Insists one Freeman defender, "The Secretary has an obligation to see that farmers understand both alternatives."

Even so, criticism alleging improper activities persists * * * dwelling on USDA's extensive propaganda campaign.

While official leaflets to be distributed to farmers exhibit usual technical objectivity, statements by ranking officials show sharply less detachment.

Administration men, insist their efforts are strictly educational. In a recent talk, Freeman said "my role and the role of the Department, is not to tell the farmer how he should vote, or even to advise him how to vote. Our function," said the Secretary, "is to present the facts and provide the farmer with the information he will need in order to make an informed decision in the referendum."

That the above should be the role of the USDA is agreed to by almost everyone. That it has, in fact, been the role of USDA is agreed to by almost no one.

Assertions that "farmers will have \$700 million more income if they vote 'yes'", and "it would be 'tragic' if our progress to develop reasonable trade relations on wheat were destroyed by a minority" appear difficult to jibe with the Secretary's contention he is by no means advising a farmer how to vote.

The tempo of the campaign likewise causes resentment within USDA ranks. Career Government employees fume—although usually silently—over having been recruited for a role in what has become a partisan fight.

Some feel the forced involvement undermines their agency's hard-earned confidence of farmers and, in turn, their ability to serve farmers.

Outside USDA, critics accuse the farm agency Secretary of pitting urbanites against farmers * * * placing farmers in a poor public light should they reject marketing quotas on wheat. Case in point is Freeman's recent comment: "The consumer and taxpayer will watch this referendum with special attention to determine whether the farmer is really serious about cutting surpluses and taxpayer costs."

Congressmen also complain in increasing numbers. An off-and-on Democratic backer of the administration calls USDA activities "completely out of line."

The often-voiced Capitol Hill comment is this: "In passing the 1964 wheat law calling for a referendum, Congress said, in effect, 'either outcome would be acceptable national policy; it should be a question of which one farmers preferred.' If the Department of Agriculture believed one of the possible alternatives would be unacceptable, it shouldn't have supported the bill. And the President shouldn't have signed it."

No less of an eventual dilemma faces Washington should quotas lose and the clamor begin for new legislation. So absolute have both Government men and lawmakers been in insisting there will or won't be new legislation that some may find themselves "politically embarrassed."

Similarly, USDA in its insistence on "this or nothing" may have neatly backed itself into a corner. "How," asks one observer, "can the Department insist in one breath that a quota defeat would be disastrous, and in the next breath contend—as the President has—that no new legislation would be needed?"

Mr. HICKENLOOPER. I ask also unanimous consent to have printed in the RECORD at this point in my remarks a letter signed by A. B. Thompson and William J. Thompson, of Grafton, N. Dak., which was published in the Christian Science Monitor of May 6, 1963, under the newspaper's heading "A Reader Writes: Federal Wheat Program."

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

A READER WRITES: FEDERAL WHEAT PROGRAM To the Christian Science Monitor:

It has always been our impression that the intention of the Federal wheat program was to support the price of bread wheat. The wheat supported was wheat intended for milling purposes, not feed. Most of the wheat held by Government now in storage is not good milling wheat, so we are just fooling ourselves. It is not fit in most cases for anything but feed. It has been just about impossible for the Government to get rid of it on the feed market because by law they can't sell it below certain price levels which are too high for feed. In the foreign markets the bread wheat held by the Government is so out of condition by long periods of storage or impurities that have been blended into it that the foreign markets don't want it.

It is our opinion that the past operation of the Federal support program has not been to the benefit of the bread wheat grower or to the durum wheat grower as he has lost millions of acres under this rationing type of program. Under the present and proposed program, wheat is considered wheat; there is too little regard as to the use factor. Wheat that doesn't have the best milling characteristics is supported at the same overall price. If the wheat referendum vote defeated the Federal Government program, much of the quality bread wheats, in our opinion, would again recapitulate their traditional markets.

The new proposal is supposed to bring supply into better balance with the market. This no one can count on, for who can control the weather? The small growers take the brunt of the volume cut because there are so many of them. This works against the purpose of the Federal program because it was passed with the intention of helping the small farmer. The only farmer it has helped is the big farmer, who started out with a big allotment at a guaranteed price. The small farmer has been cut across the board on his acreage the past few years to the point that along with higher growing costs he has very little benefit left to him. How can acreage or bushel allotment based on past production possibly help the small farmer?

Any Government program that tries to control the whole programing of a commodity such as wheat on a national scale has to be so broad in its coverage and application that it loses the very things that it was passed to do. We think a better plan would be one where the hard spring wheat or durum growers, for example, would organize along their own particular class of wheat and promote their own program. If they want to set a floor price, this could be done with controls among themselves. Contracts should be made between growers and users. On good authority it has been stated that foreign markets now would contract durum wheat at good profitable prices to the grower. There are plenty of grower organizations now which control directly or indirectly huge volumes of wheat that can act as a mediator for these contracts.

As we see it, the new wheat program as presented by Secretary Freeman will be as unworkable as the ones in the past. It will take more administrators because it calls for more controls. Under it the traditional wheat areas will take another acreage cut. The small farmer will be further restricted because his volume will be so small that his unit cost will be too high for him to compete successfully with the large grower.

A. B. THOMPSON
WM. J. THOMPSON.

GRAFTON, N. DAK.

Mr. HICKENLOOPER. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point in my remarks an editorial entitled "Wheat Controls: Yes 'or Else'?" which was published in Life magazine for May 10, 1963.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHEAT CONTROLS: YES "OR ELSE"?

Secretary Freeman and his mortal enemy, the Farm Bureau Federation, are in a brass-knuckle fight over wheat controls. The outcome may go a long way to determine whether the Government can ever get out of the farming business. On May 21 wheat growers will vote on Freeman's new production-control plan, the tightest ever. Two-thirds of the voters have to approve the Secretary's mandatory 10-percent acreage cut for it to take effect, and the outcome is in doubt.

Freeman denies that the Department of Agriculture is twisting farmers' arms to vote "Yes." However, the Department is using a blackjack argument in the 5 million copies of seven booklets and leaflets now being circulated, in the speeches of Department employees and in radio tapes starring Freeman himself. "With a 'yes' vote," Freeman tells audiences, "the price of wheat will be \$2 a bushel; with a 'no' vote, \$1 a bushel." You can't state an "or else" more baldly than that.

The Farm Bureau, which is against controls, and the National Federation of Grain Cooperatives, which is for them, certainly have the right to spend all the private money they want to influence the referendum. Freeman says his Department's campaign expense will be nominal. Nominal or not, it's still public money, causing critics of the Department to raise the question of propriety.

Moreover, Freeman doesn't know that wheat will go down to \$1 a bushel if the farmers reject his plan. He is merely theorizing that, with his plan dead, farmers will grow wheat without regard to the market, drive the price down and cut their own throats. That isn't necessarily so.

At stake here is a principle much bigger than \$2 wheat or \$1 wheat. That is whether the role of Government in agriculture is to be reduced or vastly increased. The latter is what many people fear will happen if Freeman gets his "Yes" vote, and that's why we hope he doesn't get it.

Mr. HICKENLOOPER. Also, in connection with my remarks which I made earlier, at the beginning of my discussion about the investment in loans and the inventory of the Commodity Credit Corporation, comparing March 31, 1962, with March 31, 1963, I ask unanimous consent to have printed in the RECORD a bulletin of the U.S. Department of Agriculture recently released, namely USDA 1488-63. I would just as soon have it go at the end of my remarks, because I failed to put it in the proper place when I made the remarks awhile ago.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CCC OPERATING RESULTS AND STATUS OF CCC PRICE SUPPORT PROGRAM AS OF MARCH 31

Price-support loans and inventories: The U.S. Department of Agriculture reported today that as of March 31 the total investment of Commodity Credit Corporation in price-support loans and inventories amounted to \$8,165,360,294. This total investment in-

cludes loans outstanding of \$3,429,150,703 (lending agencies financed \$1,313,726,002 of these loans) and inventories amounting to \$4,736,209,591.

The March 31 estimate of the loss which will be realized upon ultimate disposition of price-support inventories amounted to \$1,284,437,000 comprised of \$153,225,000 esti-

mated loss on commodities under loan and \$1,131,212,000 estimated loss on inventories. These amounts of estimated losses are reflected as reserves for losses in the March 31 financial statements of the Corporation.

A comparison of total investment, the reserves for losses, and the net book value as of March 31, 1963 and 1962, follows:

| | Investment | Reserve for losses | Net book value |
|------------------|-----------------|--------------------|-----------------|
| Mar. 31, 1963: | | | |
| Loans..... | \$3,429,150,703 | \$153,225,000 | \$3,275,925,703 |
| Inventories..... | 4,736,209,591 | 1,131,212,000 | 3,604,997,591 |
| Total..... | 8,165,360,294 | 1,284,437,000 | 6,880,923,294 |
| Mar. 31, 1962: | | | |
| Loans..... | 2,908,016,352 | 138,218,000 | 2,769,798,352 |
| Inventories..... | 4,497,070,667 | 1,156,889,000 | 3,340,181,667 |
| Total..... | 7,405,087,019 | 1,295,107,000 | 6,109,980,019 |

Items as of Mar. 31

| Commodity | Quantity | | Value | |
|------------------------|---------------------|-------------|-------------|---------------|
| | Unit | 1963 | 1962 | 1963 |
| Grains: | | | | |
| Barley..... | Bushel..... | 40,686,329 | 39,959,445 | \$32,858,499 |
| Beans, dry edible..... | Hundred-weight..... | 1,852,697 | 3,884,778 | 13,347,551 |
| Corn..... | Bushel..... | 907,634,791 | 851,795,530 | 1,020,795,012 |
| Flaxseed..... | do..... | 5,453,380 | 395,380 | 15,329,791 |
| Grain sorghum..... | do..... | 227,539,061 | 208,149,323 | 255,983,768 |
| Oats..... | do..... | 34,859,027 | 34,901,075 | 18,497,938 |
| Rice, rough..... | Hundred-weight..... | 2,573,611 | 1,330,395 | 13,052,806 |
| Rye..... | Bushel..... | 3,467,077 | 1,984,804 | 3,124,784 |
| Soybeans..... | do..... | 60,386,782 | 102,925,701 | 134,973,489 |
| Wheat..... | do..... | 274,037,205 | 217,980,636 | 574,507,158 |
| Cotton: | | | | |
| Extra long staple..... | Bale..... | 35,025 | 8,921 | 9,022,544 |
| Upland..... | do..... | 5,361,554 | 3,896,312 | 835,487,684 |
| Oils and peanuts: | | | | |
| Peanuts..... | Pound..... | 145,710,540 | 149,193,967 | 16,615,805 |
| Tung oil..... | do..... | 986,227 | 7,428,720 | 236,694 |
| Tobacco: | | | | |
| Rosin..... | do..... | 163,611,888 | 63,462,784 | 16,927,155 |
| Tobacco..... | do..... | 641,914,388 | 476,660,051 | 463,191,046 |
| Almonds..... | do..... | | 9,839,373 | 1,967,874 |
| Honey..... | do..... | 1,609,212 | 2,833,489 | 198,979 |
| Total..... | | | | 3,429,150,703 |

Items in price-support inventory of CCC as of Mar. 31

| Commodity | Quantity | | Value | |
|--|---------------------|---------------|---------------|---------------|
| | Unit | 1963 | 1962 | 1963 |
| Grains: | | | | |
| Barley..... | Bushel..... | 27,998,626 | 32,002,180 | \$24,110,815 |
| Beans, dry edible..... | Hundred-weight..... | 515,022 | 329,914 | 3,302,126 |
| Bulgur..... | Pound..... | 36,532,185 | | 1,970,928 |
| Corn..... | Bushel..... | 748,116,255 | 981,259,260 | 881,490,536 |
| Flaxseed..... | do..... | 113,743 | | 376,943 |
| Grain sorghum..... | do..... | 512,451,202 | 555,076,098 | 540,680,599 |
| Oats..... | do..... | 15,007,960 | 7,515,860 | 9,017,153 |
| Rice, rough and milled..... | Hundred-weight..... | 43,968 | 1,213,277 | 416,037 |
| Rye..... | Bushel..... | 500,008 | 3,223,446 | 542,860 |
| Soybeans..... | do..... | 9,405,915 | 894 | 22,326,820 |
| Wheat..... | do..... | 1,010,410,225 | 1,076,745,688 | 1,966,480,807 |
| Wheat, rolled..... | Pound..... | | 9,360 | 920 |
| Cotton: | | | | |
| Extra long staple..... | Bale..... | 15,865 | 14,868 | 4,350,337 |
| Upland..... | do..... | 4,684,086 | 1,448,627 | 809,720,414 |
| Dairy: | | | | |
| Butter..... | Pound..... | 396,535,699 | 271,040,979 | 232,281,667 |
| Butter oil..... | do..... | 42,900,702 | | 34,517,781 |
| Cheese..... | do..... | 80,164,446 | 67,011,196 | 29,936,315 |
| Ghee..... | do..... | 455,322 | | 369,883 |
| Milk, dried..... | do..... | 698,712,991 | 425,091,846 | 104,084,352 |
| Oils and peanuts: | | | | |
| Cottonseed oil, refined..... | do..... | 8,339,550 | | 1,014,923 |
| Peanuts: | | | | |
| Farmers' stock..... | do..... | 31,251,604 | | 3,399,995 |
| Shelled..... | do..... | 31,269,869 | 5,597,496 | 5,897,553 |
| Vegetable oil products..... | do..... | 95,784,762 | 18,612,626 | 17,606,758 |
| Turpentine..... | Gallon..... | 926,233 | 1,729,744 | 486,018 |
| Honey..... | Pound..... | 1,037,746 | | 129,950 |
| Exchange commodities: Strategic materials..... | | | | 41,698,021 |
| Total..... | | | | 4,736,209,591 |

The loan and inventory figures do not include "purchase agreements" which provide for purchase by CCC of stipulated quantities of price-support commodities if offered by producers at the end of the loan period. The estimated maximum commitment on outstanding 1962 crop purchase agreements at March 31, 1963, was \$111,222,000. The estimated maximum commitment on outstanding 1961 crop purchase agreements at March 31, 1962, was \$105,378,000.

Price-support extended: The total of price-support extended on 1962 crops alone through March 31, 1963, amounted to \$3,626,670,685, consisting of price-support loans made, direct purchases made, purchase agreements entered into and purchases under special purchase programs. This compares with \$3,146,326,102 on 1961 crops through March 31, 1962.

Movement into and out of CCC's price-support inventory: Agricultural commodities purchased or otherwise acquired by CCC in March had an acquisition cost value of \$61,789,033 bringing the total for the first 9 months of the 1963 fiscal year to \$1,736,069,401. For the same 9-month period a year earlier purchases and acquisitions amounted to \$953,896,958.

Movement of agricultural commodities out of CCC's inventories in March totaled \$272,172,160, acquisition cost value basis, making the fiscal year 1963 total through March of \$1,498,374,484. The outmovements for the first 9 months of fiscal year 1962 totaled \$2,044,093,833, acquisition cost value basis.

Borrowing authority: CCC operations are financed largely by borrowings, mostly from the U.S. Treasury, under its statutory borrowing authorization of \$14.5 billion, this amount being the limit on borrowings that may be outstanding at any one time. CCC reserves a sufficient amount of this borrowing authority to purchase at any time all loans and other obligations held by private lending agencies under the Corporation's programs. As of March 31, CCC had in use \$14,082,726,000 of this authority; actual borrowings from the Treasury amounted to \$12,769 million and obligations to purchase loans financed by private lending agencies amounted to \$1,313,726,000. This left a statutory borrowing authority available of \$417,274,000.

Losses from operations: The Corporation's total net loss from all operations, including adjustments to reserves for losses, amounted to \$1,674,619,092 for the 9-month period ended March 31, 1963, as compared to \$1,690,683,509 for the same period a year earlier.

These losses for the months of fiscal year 1963 and 1962 as of March 31, are summarized as follows:

| | Fiscal year 1963 through March 1963 | Fiscal year 1962 through March 1962 |
|---|---|---|
| Realized program gains and losses: | | |
| Commodity inventory operations: | | |
| Losses on dispositions | ¹ \$318, 856, 338 | ² \$527, 131, 124 |
| Carrying charges: | | |
| Storage and handling | ² 279, 655, 444 | ² 299, 166, 959 |
| Transportation | ³ 82, 946, 797 | ³ 72, 739, 405 |
| Total | *681, 458, 579 | *899, 037, 488 |
| Export payments and allowances | *119, 356, 035 | *181, 398, 962 |
| Special milk program for children | ⁴ 338, 575 | ⁴ 73, 920, 211 |
| Feed grain programs | *632, 235, 757 | *719, 597, 742 |
| Wheat stabilization programs | *261, 040, 262 | *56, 206, 619 |
| Reseal loan storage expense | *55, 321, 944 | *53, 723, 574 |
| Other | *1, 730, 943 | 1, 534, 852 |
| Total program losses | *1, 750, 804, 945 | *1, 982, 349, 744 |
| Interest and other general income and expense (net) | *336, 888, 147 | *274, 933, 765 |
| Total realized losses | *2, 087, 693, 092 | *2, 257, 283, 509 |

| | Fiscal year 1963 through March 1963 | Fiscal year 1962 through March 1962 |
|-----------------------------------|---|---|
| Adjustment of reserve for losses: | | |
| Price-support programs | \$413, 030, 000 | \$560, 724, 000 |
| Other | 44, 000 | 5, 876, 000 |
| Total adjustment | 413, 074, 000 | 566, 600, 000 |
| Net total loss | *1, 674, 619, 092 | *1, 690, 683, 509 |

*Indicates loss.

¹ This net amount includes \$365,120,992 losses relating to commodities acquired from 1961 and 1962 production.

² Includes \$37,554,689 relating to storage and handling on commodities acquired from 1961 and 1962 production.

³ Includes \$25,317,988 relating to transportation on commodities acquired from 1961 and 1962 production.

⁴ Represents refund of unused amounts advanced for prior fiscal years. This program for fiscal year 1963 is not financed by CCC.

Mr. HICKENLOOPER. I ask the majority leader at this time if he anticipates further business. I am about to conclude my remarks.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. MANSFIELD. It is my understanding the Senator from Alaska has a speech to make. I believe the Senator from Tennessee also has a speech to make.

Mr. KEFAUVER. A rather short one.

Mr. HICKENLOOPER. If I have any control over the situation, I would like the Senator from Tennessee to be recognized, because he asked me to yield to him. Then I assume the Senator from Montana plans to have the Senate recess until tomorrow, under the order.

Mr. MANSFIELD. Yes; after the Senator from Alaska speaks.

Mr. HICKENLOOPER. As a matter of convenience or procedure, because I am ready to yield the floor, I wish to call up my amendment numbered 85, if it is appropriate to make it the pending amendment in connection with the bill.

The PRESIDING OFFICER. The amendment offered by the Senator from Iowa will be stated.

The legislative clerk proceeded to read the amendment.

Mr. HICKENLOOPER. Mr. President, the amendment goes directly to the question of coercion of ASCS committeemen to go out and support the wheat program. There is no need to read the amendment. I ask unanimous consent that it may be printed in the RECORD at this point. It will be called up for consideration tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, ordered to be printed in the RECORD, is as follows:

On page 12, after line 13, add the following new section:

"SEC. 105. Notwithstanding any other provision of law, local, county, and State committees created pursuant to the provisions of section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, shall not be used to influence farmers in regard to any legislation being considered by the Congress of the United States; to compel, coerce, or bring undue pressure upon farmers to participate in voluntary programs of the United States Department of Agriculture; or to provide other than factual information to farmers. None of the funds authorized to be appropriated by this Act

nor any other funds which have been or will be appropriated to the United States Department of Agriculture shall be used to finance the foregoing prohibited activities."

Mr. ELLENDER. Mr. President, I ask unanimous consent, in connection with my colloquy with the distinguished Senator from Iowa a while ago, to insert in the RECORD at this point answers of the Secretary of Agriculture on the question of the \$900 item as well as the loyalty oath and efforts to influence the referendum to which reference has been made.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

(Page 33 of committee hearings:)

Secretary FREEMAN. Let me answer that this way, if I may, Senator, that my instructions are to all employees of the Department to inform themselves and to respond to questions, to attend meetings, if you will, to present information, so that the farmers are informed as they vote on the referendum which the Congress directed that the Department should sponsor on wheat. And they are directed not to be advocates. I, personally, would, certainly, never dream of trying to tell anybody how to vote. But they are rather seeking to inform as to what the alternatives are on a rather complex question.

There have been a number of such allegations in connection with the campaign. There is an issue about which there is some feeling. And in most such contests, I am sure that there will be allegations, but my instructions—and I believe they are being carried out—are to inform the farmers, certainly, not to exhort them.

Senator AIKEN. Then it is your contention that neither you nor any other officials of the Department, with your knowledge, have undertaken to organize sentiment in favor of any vote on the wheat referendum?

Secretary FREEMAN. To my knowledge, all I can say is that I believe that our directives are being carried out.

(On page 34:)

Secretary FREEMAN. * * * this was brought to my attention in the House, I have looked into it. In this instance the letter refers to a conversation held between a former fieldman and his elected county committee pursuant to a request by the county committee for an additional allocation of funds. I believe that they asked for \$5,000, because they were short of money. There have been or will have been two referendums held in this fiscal year. Obviously, this is a lot of work and is somewhat expensive. The State committee did not allocate the amount asked. They did allocate \$900. And they told them that the \$900 should be used to be sure that the referendum was properly carried forward and that the farmers within the area in which they have jurisdiction were adequately informed in connection with the issues. And that is the extent of it.

(On page 35:)

Senator AIKEN. I would like to ask the Secretary one more question. I happen to be reading the rules and regulations which were issued on March 1. I find when it comes down to the county and community committeemen, their terms of office, that is, it states: "County and community committeemen and alternates to such office shall begin on the 1st day of the month next after their election: *Provided, however,* That before any such county committeeman or alternate county committeeman may take office he shall sign a pledge that he will faithfully, fairly, and honestly perform, to the

best of his ability, all of the duties devolving upon him as a committeeman and that he will support the program he is called upon to administer."

Does this mean under that regulation that you would hold that a county committeeman or a community committeeman would have authority to advise his wheat-growers to vote "no"?

Secretary FREEMAN. Yes, sir.

Senator AIKEN. In the referendum?

Secretary FREEMAN. Yes.

Senator AIKEN. He would?

Secretary FREEMAN. Yes. I might comment on this, because it has raised some questions. I know that this committee is aware of the fact that the administration of the farm program, I think, is unique in the annals of government in any country that I know of. I do not know of any similar institution where elected county committeemen administer a program and make decisions involving the expenditure of many millions of dollars for which the Secretary of Agriculture is held responsible to the Congress and the people of the United States. Because of this structure, I think a good look, periodically, is healthy.

I appointed a bipartisan committee which made a study on the operations of the committee system. One of the recommendations was that in view of the responsibility of the Secretary and the necessity for effective administration that they thought that the people, in order to serve on county committees and community committeemen, ought to believe in the programs they carried forward and not be critical and hostile to them. And they recommended that the regulations be amended to provide that they should do so.

In view of that recommendation a proposed change in the regulations has been published in the Federal Register for all to see and give comments thereto. This does not mean that anyone is signing a blood oath, but it does say that they will honestly and faithfully carry this forward and in effect that if they do not believe in the program in question that they ought not to stand for election, because once elected they are called on to carry forward the programs passed by the U.S. Congress which I am responsible to administer.

And it seems to me that this is only logical and rational and as such this regulation has been promulgated in the Federal Register.

Secretary FREEMAN. I have carefully read these laws and regulations and feel that it is quite clear that it is one of the responsibilities of the ASC's and of the Department as a whole to inform the farmers of the alternatives of a decision that the Congress by law has set down for them to make.

Senator HICKENLOOPER. But do you—have your people been informing them of the alternatives or only giving them one side of the story, and that is the affirmative side, to vote "yes"?

Secretary FREEMAN. My instructions have been to give both sides, and we have had a number of pieces of literature prepared to that effect, that present both sides. There have been meetings held frequently in which there has been thorough discussion. As such, I feel that we are not acting improperly, but that we are only doing what we have a mandate to do.

(On page 75:)

Senator HICKENLOOPER. I thought in view of the discussion a while ago about the \$900 being available in this one country for holding barbecues and meetings and socializing affairs, that it might probably extend to per diem and mileage and so on, of the ASC committees.

But I think the record will have to show that at some later date when we can get to it.

Secretary FREEMAN. The \$900 is to conduct the referendum.

Senator HICKENLOOPER. Conduct the election? Including the socializing meetings and the free eating for advocating.

Secretary FREEMAN. Sir, you are very persistent to put words in my mouth. What I said was the \$900 was to carry forth the referendum because the county committee in question had not allowed funds to do this. They asked for some \$8,000 increase. They got \$900. We had the mandate of the Appropriations Committee very much in mind and we did not give them what they asked.

(On page 77:)

Senator HICKENLOOPER. Now, Mr. Secretary, I would like to ask you, in view of the regulation and what has been referred to as the loyalty oath of ASC committeemen and community committeemen, which is now required to be signed by these people for eligibility for office, which I think is an innovation, and in view of the fact that the Department is clearly committed in its own opinion and your opinion to the desirability of an affirmative vote on this wheat referendum, if a county committeeman or a community committeeman go out and advise the farmers in their areas to vote on this wheat referendum, does that violate their loyalty oath?

Secretary FREEMAN. Of course not.

Senator HICKENLOOPER. And are they perfectly free to do that, if they want to?

Secretary FREEMAN. Of course. Obviously, you have just read a letter from one of them. He didn't seem very frightened. The county committeeman that wrote the letter the Senator just read was not very afraid.

Senator HICKENLOOPER. I think they have a right to. I agree with you thoroughly.

Secretary FREEMAN. Sure.

Senator HICKENLOOPER. He was objecting to what he said was the pressure of the Department using the Department funds and ASC committee people to support this thing on the affirmative side, as a Government operation.

Secretary FREEMAN. Honestly, Senator, I think one of the problems that probably stems from his letter is that the fact, when you present both sides and the results are so overwhelmingly affirmative in favor of the benefit of the wheat farmer to vote yes, that those people who philosophically oppose the program then feel that there is a campaign on rather than a presentation of the honest facts.

That has been the problem.

(On page 83:)

Secretary FREEMAN. May I just add, in response to that, I appreciate the Senator's comments. I, as a matter of policy, have not tried to exhort, because I was not trying to tell any farmer how to vote. Occasionally, if I were asked pointblank, if I were a wheat farmer, how I would vote, I would have said that I would vote "yes" and I would have said that honestly. On the other hand, I would assure you that there is not one iota of compulsion on anybody in any committee to do anything in connection with the referendum except the directive from the Secretary to participate in the process of distributing information, to answer questions, to attend the meetings, and to make available to the wheat farmers who will be called on to vote in the referendum such help, and there is no connection whatsoever between what you refer to as the loyalty oath. Moreover, I repeat again that the oath is not yet a matter in force and effect since the actual wording of the pledge itself has not yet been decided upon by the Department. They have no connection whatsoever.

The proposed regulation, as I said this morning, is a product of the recommendations of the advisory committee that worked for many months on it, that felt that this would serve to tighten up some of the regulations, some of the things that were needed, but has no relationship whatsoever. And as to my knowledge it has never been referred to in connection with the wheat referendum at all.

(On page 90:)

Senator HICKENLOOPER. I think the editors of quite a few newspapers are against the program. I do not believe there is as much support for it as many of us would like to believe.

We have already discussed the instructions to the people in McCone County, which is quite an interesting revelation.

Secretary FREEMAN. I would think that the record should show that no such instructions have been proven or established. This is purely a letter, and it is totally hearsay.

Senator HICKENLOOPER. Well, I presume that the people who got the letter did not have the facility to go back here to the Department of Agriculture and find out. They probably took it on its face value, because it came out from officials of the ASC there and they undoubtedly assumed that it was, whether it is true or not. I am not going to the complete authenticity of it.

Secretary FREEMAN. I am glad that you acknowledge that it is not an established fact, along with proving that it was merely conjecture, a biased statement.

Senator HICKENLOOPER. No.

Secretary FREEMAN. By county chairmen who allegedly are so coerced by the Department that they tremble in their boots and would not dare oppose a program.

The CHAIRMAN. Is he still a member?

Secretary FREEMAN. He was and is a committee member.

Senator HICKENLOOPER. You have got your record of these protests; have you taken action here?

Secretary FREEMAN. Not that I know of.

Senator HICKENLOOPER. No?

The CHAIRMAN. Is he still a member—has he been thrown out?

Secretary FREEMAN. No. There would be no basis for throwing him out.

Senator HICKENLOOPER. I think it is easily established—the fact is easily established that the instructions went out from that local headquarters. Whether they went back up and were authorized and directed at the top, I am not certain.

Secretary FREEMAN. This is not correct. I think that we ought to be a little accurate if we are going to mention the \$900 so that there will be that—I know that you would want a factual record—that there was a discussion between a farmer fieldman and a county chairman as to certain funds that had been requested by the county. Now, the nature of that discussion and what was said seems to be very strong difference of opinion about it.

What you relate is what the county chairman said the farmer fieldman said. What they believe was said to the county chairman is quite diametrically different; and therefore, I guess in that kind of thing you take your choice, but this is, certainly, not an established fact and the record ought to show that.

Senator HICKENLOOPER. In Arizona the ASC organization there, the chairman of the Arizona State committee, sent to all county and community ASC committeemen and county office managers, on the stationery of the Department of Agriculture, a bulletin on May 21, 1963—no; it was sent out on April 11, 1963—they have a date of May 21, 1963, on it. I got the date of the referendum first.

Mr. O. W. Rugg signs this. He does that apparently as State chairman. Among other things, this says:

"For whatever reason, an organized campaign is being waged to coerce the wheat farmers of the country into voting no.

"The issues involved are not being accurately or impartially discussed and analyzed. Misinformation, distortion, emotionalism, and all manner of pressure tactics are being employed. Whether or not the wheat farmers understand specifically why they should vote no, or whether or not such a vote would be in their own or the Nation's best interests, aren't being given such consideration."

This is in the official bulletin sent out to the community ASC committeemen, the county office managers by the chairman of the Arizona State committee.

He says further, under the heading of "Misinformation," which he referred to above:

"The new act and the economic importance of wheat would make it necessary for us to assign the highest priority to the wheat program even if there were no organized opposition. Unfortunately, so much misinformation is being spread that we must work doubly hard to make the program understood.

"An illustration is recounted in a news story in the Des Moines Register, March 30. The reporter, Charles Bailey, states:

"The actual text of Freeman's remarks indicates that the quote used by Shuman is not only out of context, but inaccurate. This reporter was among a half a dozen newsmen who flew from Washington and heard these speeches."

I am not too sure that is appropriate to my particular comment. [Laughter.]

Secretary FREEMAN. Please finish.

Senator HICKENLOOPER. I say—the reason I say that is that if necessary, we will get the whole statement to see whether it was taken out of context or not. This did not go particularly to the point that I was trying to make, but the whole speech, and the question of whether or not it was taken out of context or not, I think is subject to judgment by anybody who sees it and I did not intend to go into that at this particular moment, because it is collateral to this matter.

Also, this letter on Government stationery quotes Drew Pearson's radio broadcast, March 24, which is carried at company expense in Mr. Pearson's column, apparently, at least this portion of it, which is as follows:

"Well, there was a lot of protest against doctored photographs in Joe McCarthy's day, but the American Farm Bureau has now distributed an interesting doctored radio broadcast to 500 radio stations. It carries a speech by Charles Shuman, head of the Farm Bureau, with parts of a speech by Secretary of Agriculture Freeman. Secretary Freeman's voice is given in an angry, stepped-up tone, while Shuman's voice is calm and resonant.

"In situations of the kind illustrated here, we will have a hard job getting the plain facts of the program separated from the emotional fog and clearly understood. But we must succeed."

This last is Mr. Rugg's statement. Mr. Shuman's voice is calm and resonant ended the quote.

Secretary FREEMAN. It is very uncomplimentary to me.

Senator HICKENLOOPER. This is a cumulative part of the practice to build up what the Department is doing and putting pressure on the people down at the grassroots.

Secretary FREEMAN. I am sure that we would disagree with that. The facts should be clearly understood. I am sure that you will not disagree with that.

Senator HICKENLOOPER. You say that I would disagree?

Secretary FREEMAN. I am sure that you will agree with that.

Senator HICKENLOOPER. That I thoroughly agree with you. That is why I say that you should be presently given the other side of it.

Secretary FREEMAN. Really, that letter you would consider a sensible piece of work by the chairman in question.

Senator HICKENLOOPER. Well, I do not know how sensible it is. I still think that you sent only part of it and it does not discuss the other side of it.

Secretary FREEMAN. He wanted to be sure that they got the facts. He did not discuss anything.

Senator HICKENLOOPER. I think that if you read this letter, he did. That is the whole thing. Anybody votes no is crazy, is what it says.

Well, be that as it may, I do not mean to go into the merits of the matter except to show the cumulative buildup of facts.

Senator PROXMIRE. Can I read that letter?

Senator HICKENLOOPER. Yes.

Senator YOUNG. I am not clear what you are trying to bring out. Do you think that the Government should explain all other alternatives?

The Government's only obligation is to explain the law? Are you advocating that the Government explain all other alternatives, too?

Senator EDMONDSON. This letter here that you referred to a minute ago of April 1963, from the Arizona ASC, rather than creating a prima facie case of coercion, I believe, almost proves conclusively that there is no coercion. In this the chairman of the Arizona ASC State Committee states this:

"It is our duty as employees and representatives of ASCS to provide the wheat farmer with factual information about this program. It is our obligation to him to insure that the vote he casts in this referendum ('yes' or 'no') is based on his own conclusions drawn from a thorough understanding of the issues involved.

"If he goes to the polls prepared to vote 'no' solely because he has been high-pressured into doing so, without being given a fair chance to form his own opinions and make up his own mind, we will have failed."

Senator PROXMIRE. Read the last paragraph.

Senator EDMONDSON (reading):

"We want the wheat farmer who casts his vote on May 21 to be a well-informed person, who will vote according to his own best judgment. This is our responsibility and our challenge."

Rather than create any impression of a prima facie case as to the Department of Agriculture, it is the contrary. I think it should be admitted into the record.

The CHAIRMAN. I thought that it was put in the record.

Senator HICKENLOOPER. I thought that it was put in.

The CHAIRMAN. Without objection, that letter will be put into the record.

(The letter is as follows:)

U.S. DEPARTMENT OF AGRICULTURE,
AGRICULTURAL STABILIZATION AND
CONSERVATION SERVICE,
Phoenix, Ariz., April 11, 1963.

To: County and community ASC committeemen, county office managers.

From: Chairman, Arizona ASC State Committee.

Subject: Wheat program for 1964.

MAY 21, 1963

Although Arizona is not a major wheat-producing State, I am sure all of us are aware of the significance of this date.

On that day the wheat farmers in the Na-

tion will cast their ballots in the 1964 wheat referendum.

Normally, after having been fully informed of the provisions of a farm program through our State and county committees, the growers who will be affected by the outcome of a referendum are permitted to make their own decisions on how they will vote.

However, in this case it is not so. For whatever reason, an organized campaign is being waged to coerce the wheat farmers of the country into voting "no." The issues involved are not being accurately or impartially discussed and analyzed. Misinformation, distortion, emotionalism, and all manner of pressure tactics are being employed. Whether or not the wheat farmers understand specifically why they should vote "no," or whether or not such a vote would be in their own or the Nation's best interests, aren't being given much consideration.

This situation is summarized in the following statement from Horace B. Godfrey, Administrator, ASCS:

"Misinformation: The new act and the economic importance of wheat would make it necessary for us to assign the highest priority to the wheat program even if there were no organized opposition. Unfortunately, so much misinformation is being spread that we must work doubly hard to make the program understood.

"An illustration is recounted in a news story in the Des Moines Register, March 30. The reporter, Charles Bailey, states: 'The actual text of Freeman's remarks * * * indicates that the quote used by Shuman is not only out of context, but inaccurate. This reporter was among a half-dozen newsmen who flew from Washington and heard the speeches.'

"The news story starts out as follows:

"The specter of American farmers reduced to the status of faceless punchcards in a brainless electronic machine is being raised by the American Farm Bureau Federation in its campaign against the Kennedy administration's wheat plan."

"Drew Pearson's radio broadcast March 24 included this:

"Well, there was a lot of protest against doctored photographs in Joe McCarthy's day, but the American Farm Bureau has now distributed an interesting doctored radio broadcast to 500 radio stations. It carries a speech by Charles Shuman, head of the Farm Bureau, with parts of a speech by Secretary of Agriculture Freeman. Secretary Freeman's voice is given in an angry, stepped-up tone, while Shuman's voice is calm and resonant."

"In situations of the kind illustrated here, we will have a hard job getting the plain facts of the program separated from the emotional fog and clearly understood. But we must succeed."

The attached excerpt from a talk by Under Secretary of Agriculture Charles F. Murphy sheds more light on the issues at stake in this referendum.

You have already been furnished a good deal of material explaining the provisions of the 1964 wheat program. More will be supplied as it becomes available.

It is our duty as employees and representatives of ASCS to provide the wheat farmer with factual information about this program. It is our obligation to him to insure that the vote he casts in this referendum ("yes" or "no") is based on his own conclusions drawn from a thorough understanding of the issues involved.

If he goes to the polls prepared to vote "no" solely because he has been high-pressured into doing so, without being given a fair chance to form his own opinions and make up his own mind, we will have failed.

We want the wheat farmer who casts his vote on May 21 to be a well-informed person,

who will vote according to his own best judgment. This is our responsibility and our challenge.

I know we will meet it.

O. W. RUGG.

On page 109:

Senator PROXMIRE. Mr. Secretary, I want to commend you for the way that you have handled the vigorous, hard-hitting, and powerful, and protracted cross-examination from my distinguished colleague from Iowa.

I think you have held up extraordinarily well, and I think that this case which the Senator from Iowa so skillfully built on "direct coercion" impresses me with this fact.

There are, as I understand it, 1,600,000 farmers eligible to vote roughly in the new referendum?

Secretary FREEMAN. Yes, sir. Depending upon the number of small farmers who sign up to participate.

Senator PROXMIRE. And a million are expected to vote in it.

There are approximately 9,000 county ASC committeemen throughout the country, maybe two-third or half of whom are interested actively in this program; 80,000 community ASC members, and yet I have not heard one single instance, not one, not a single one, of any ASC man who has told a farmer that he should vote "yes."

Now, it is true that there have been some editorials sent out from one ASC level to another that advocate a "yes" vote from an Iowa newspaper, but I have not heard of a single instance of violation of the order you have given ASC personnel to provide information and not tell farmers how to vote.

And it is remarkable to me that this referendum is being conducted in this way when there are so many people involved who feel so deeply, and who have such a tremendous economic stake.

And I want to congratulate you not only on the restraint that you have exhibited but on the remarkable discipline in your Department and among your people.

They have apparently been faithful to the directions which you have given them and they have done their best to inform the farmers on what the issues are without becoming advocates.

And nothing, nothing is harder, particularly in our country, where we are so active and vigorous and proud of our political position.

We go out and say, "Vote for Freeman," or "Vote against Freeman," or "Vote for PROXMIRE," or "Vote against PROXMIRE."

But these people have been successful in maintaining this kind of discipline.

I think exhibit 15, of the Senator from Iowa's "Case for Coercion" which the Senator from Oklahoma read, certainly should be a banner exhibit on your side in this cause as he read those paragraphs.

That particular ASC official instructed other ASC officials to be very sure that they only informed farmers what the facts were, and that they let them make up their own minds.

Mr. HICKENLOOPER. Mr. President, I have found the papers for which I was looking. I shall conclude my remarks with the request that they be printed in the RECORD at this point. I refer to an editorial entitled "Wheat Fact and Fancy" which was published in the Des Moines Register of my home State, on March 6, 1963. It was circulated in the form of a bulletin by the Twin Falls County, Idaho, ASCS Committee on March 26, 1963. It criticizes the opposition to a "yes" vote in the referendum. I understand that the editorial was also circulated by the ASCS Committee of Monroe County in Michigan.

Later an article entitled "Wilson Sees Wheat Vote 'Yes' As Disastrous" was published in the Des Moines Register of April 7, 1963. The ASCS Committee did not see fit to circulate the Wilson article.

This shows a pattern of scattering this information. The ASCS people use Government stationery and Government time only to scatter information of a favorable type to them, but do not use any information published in the same newspaper arguing on the other side of the question. I ask unanimous consent that the editorial and the article be printed in the RECORD at this point in my remarks.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

[From the Des Moines (Iowa) Register, Mar. 6, 1963]

WHEAT FACT AND FANCY

The Farm Bureau is conducting a major drive to defeat the new wheat program which will go into effect in 1964 if two-thirds of the growers vote in favor of it in a referendum in June of this year. The Bureau says the basic issue is "whether the farms of America are to be managed by farmers or by a Government bureaucracy." It says a favorable vote would "give a great boost" to the administration's efforts to expand "supply management" to other commodities, but a "no" vote would be interpreted as a sign farmers do not want additional compulsory supply management programs.

This view of the wheat referendum seems unduly apocalyptic.

If farmers vote for the program, they will not be committing themselves to it for all time to come, but only for the 1964 wheat crop. If the program proved in practice to be as bad as the Farm Bureau says it is, surely this would be apparent to farmers, and they could reject the program on the next vote. And Congress could change it. What farmers are voting for in this referendum is not a new direction for all farm programs, as the Farm Bureau says, but a trial of a new plan for wheat.

The Farm Bureau is sounding dire warnings about the wheat "controls" which Charles B. Shuman, president of the organization, says are the "tightest, most restrictive ever proposed for any farm crop." That is extreme language, and it is careless language. Many kinds of controls have been proposed since 1920.

The wheat controls are no tighter than those which have been in effect for tobacco and cotton for years and are not as tight as the controls for sugar. The Farm Bureau consistently backs these programs.

If two-thirds of the farmers vote in favor of the programs, every wheatgrower will be required to comply with his acreage allotment. He can grow as much wheat as he is able to grow on the allotted acres but he will receive the full support (about \$2 a bushel) only on a number of bushels to be determined as his share of the national supply used for domestic food consumption plus a portion of exports.

There are no more controls on the farmer than in the case of any crop where mandatory acreage allotments are in effect, as they have been in wheat for years. The main difference in the new program is that the price support will be a two-price deal: The grain not eligible for the top price support (probably about one-seventh of production) will receive a lower support comparable to feed grain supports, about \$1.25 a bushel. Growers also will get a land-retirement payment for acres taken out of wheat.

The Farm Bureau correctly says that this

new program will result in some decline, probably small, in the total net income received by wheatgrowers (but not in average income, because the number of growers is dropping). The two-price support plan results in a lower blend price support for wheat.

But rejection of the new plan would mean a much larger drop in wheat income. Price supports for all wheat produced would drop to 50 percent of parity, about \$1.25 a bushel.

It is hard to see how the Farm Bureau leaders can get so wrought up about "compulsion" and "dictatorial controls" which do not go into effect unless two-thirds of the producers vote to accept them. What the Government is saying is that, if two-thirds of the producers favor the controls, then everyone who chooses to grow wheat will have to go along. Every business has regulations, governmental or private.

It seems not unreasonable that the Government ask farmers to cooperate in limiting production if they want a guaranteed price for their product. If they don't want to comply with acreage allotments in return for a higher price, well that settles that. But it isn't an issue of Government management of farms, nor is it setting the course of farm policy forevermore.

Sincerely yours,

J. OSMER LOWE,
Office Manager.

[From the Des Moines (Iowa) Register, Apr. 7, 1963]

WILSON SEES WHEAT-VOTE "YES" AS DISASTROUS

(By Richard Wilson)

WASHINGTON, D.C.—Thirty years ago this month the New Deal was beginning the most audacious adventure in economic control ever undertaken. Now it is \$48 billion and six Secretaries of Agriculture later. The farm problem of 30 years ago is in some respects worse than ever. Human misery is no longer involved, but not even a close approach has been made to an economically sound and permanently workable solution. Political problems have been eased. Farmers as a class are fewer, smarter and better off.

After the passage of all this time and the spending of a vast treasure to increase farmers' incomes the great farm technocracy is facing a key decision: Whether to take the final plunge into the strictest form of control and regimentation of private enterprise ever seriously proposed in this country.

FASTER FOOD

The issue rises because the loose and circumscribed control systems of the last 30 years, in all their myriad forms, have not worked satisfactorily. On the whole, surpluses have continued to mount until it costs nearly \$1 billion a year merely to carry them. Every agricultural program devised has fallen afoul of technological progress.

The issue turns on a new control system for the production and marketing of wheat. About half the farmers in the Nation grow wheat. They have operated under a control system involving limitation of acreage and marketing and fixed prices. But never have the producers of wheat, or any other commodity, submitted to the strict controls of planting and marketing which would virtually convert their farms into State enterprises.

WOULD BE HARNESSSED

Now, under law, such a program of controlled acreage and controlled marketing is to be submitted to the producers of wheat in a referendum on May 21. Under this program, Agriculture Secretary Orville Freeman would hear every grain of wheat that falls. Bushel by bushel, wheat would flow into its various uses by Government permit and certification and at Government prices. Farm-

ers would be harnessed in a system providing fines up to \$5,000 for violating regulations and jail sentences up to 10 years for fraud.

A wheat farmer could oppose this program with all his heart and mind, and go out of business if his convictions were strong enough. For the Government pays him nothing for an independent conscience. If two of his three neighbors want the program and he does not, he is sacrificed to the general interest; he conducts his business their way or not at all. The new wheat program will be mandatory on all if it is approved by two-thirds.

EXTENSION TO OTHERS?

It is widely believed that if wheat farmers approve the new program the way will be opened for a similar State enterprise system for the producers of corn, feed grains, livestock—and in the end all forms of agricultural control will take this pattern.

Farmers now are faced by the facts of stringent Government control, and they must ask themselves if this is really what they want. If wheat farmers say "No" on May 21, they can change the whole course of the Freeman-Kennedy farm program. They can, in fact, blow it out of the water.

This choice is made by a semblance—some think it a travesty—of democracy. In a previous referendum only 235,700 farmers voted, perhaps no more than one-sixth of the total farms on which acreage allotments existed. By every means that is legal the vast agricultural bureaucracy is trying to sway the vote in favor of the State enterprise system.

The absurd claim is made by Secretary Freeman that farmers are choosing between \$2 per bushel and \$1 per bushel wheat. This is not even statistically correct. Freeman is trying to persuade farmers that Congress and Kennedy will leave them in the lurch if they turn down the new control program, and there will be nothing but an old control program that will cut their income in half. This is so unrealistic that few farmers will be fooled.

Farmers won't be left in the lurch. They are given a chance now to escape a new regimentation that they will come to hate even more than some of them detest their present restrictions. If the wheat farmers say "No," Congress will come immediately to grips with this problem again, and there is no lack of effective programs which could be enacted.

The choice is not between \$2 and \$1 wheat. It is a choice of freedom and responsibility or the intensification of control systems which haven't yet been able to do the job.

Mr. HICKENLOOPER. I yield the floor.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 1227) authorizing the Association of Universalist Women—a non-profit corporation in the District of Columbia—to consolidate with the Alliance of Unitarian Women—a nonprofit corporation in the State of Massachusetts.

The message also announced that the House had agreed to the amendments of the Senate to the concurrent resolution (H. Con. Res. 119) to print as a House document the Constitution of the United States, with an analytical index and ancillaries regarding proposed amendments.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on

the amendment of the Senate to the bill (H.R. 2440) to authorize appropriations during fiscal year 1964 for procurement, research, development, test, and evaluation of aircraft, missiles, and naval vessels for the Armed Forces, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5517) making supplemental appropriations for the fiscal year ending June 30, 1963, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 10, 12, 30, 34, 41, 42, 43, 44, and 56 to the bill, and concurred therein; that the House receded from its disagreement to the amendments of the Senate numbered 11 and 27 to the bill, and concurred therein, each with an amendment, in which it requested the concurrence of the Senate, and that the House insisted upon its disagreement to the amendment of the Senate numbered 76 to the bill.

INCREASE IN TRANSATLANTIC AND TRANSPACIFIC AIRLINE FARES

Mr. KEFAUVER. Mr. President, a very serious and far-reaching matter has been debated in foreign capitals and here in Washington during the past few weeks, and it now deserves the earnest attention of all of us. I refer to the recent attempts by the International Air Transport Association—IATA—to force upon the U.S. flag carriers substantial increases in transatlantic and transpacific airline fares, which increases had been flatly rejected by our own Civil Aeronautics Board, under powers invested in the Board by Congress.

This debate involved something deeper than the proposed fare increases. It concerned the advisability of continuing the present system of monopoly price-fixing by this private cartel, particularly when its decisions affect the public interest of millions of Americans who will provide the bulk of the air traffic overseas during the coming years. It concerned the whole philosophy of whether we should continue to allow an international air rate policy which would hold a large umbrella over inefficient carriers and at the same time discourage air travel by unreasonably high rates. It brought into sharp perspective the fundamental difference between our American airline policy of competition and lowest possible fares, and the protectionist doctrines of foreign governments who seek to keep their national airlines flying no matter what the cost to the passengers.

Into this debate stepped the Civil Aeronautics Board with the force of a tiger. The Board held hearings on the proposed increases, analyzed the facts, and came out with two orders, in substance stating that it was fed up with the IATA policy of pushing-up rates to the accommodation of the protective philosophies of foreign governments. It notified its flag carriers that it would not approve the new increased fares because

in its judgment they were not in the interest of the American public. This meant any attempt by the American carriers to follow the IATA increases would subject them to possible criminal prosecution and other sanctions in this country.

Chairman Alan Boyd, speaking on behalf of the majority of the Board, then flew to meetings in London and elsewhere in Europe, and warned all foreign carriers and their governments that the United States would not countenance another fare boost from IATA, especially when facts proved that American carriers can operate at a profit under present fares to the benefit of the public interest. Mr. Boyd was unbending and appeared to go all out in his attempts to convince our friends overseas that this time we meant business, despite the consequences.

Many of us here in Congress applauded this action by the Board and the strong stand taken by Chairman Boyd. On May 2, 1963, I wrote a letter to Mr. Boyd, urging him to hold fast to his position. Mr. President, I ask unanimous consent to have this letter printed at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 2, 1963.

HON. ALAN S. BOYD,
Chairman, Civil Aeronautics Board,
Washington, D.C.

DEAR ALAN: I want you to know that I have been following with serious interest your recent attempts to prevent an increase in certain airline fares on the Atlantic and Pacific routes. I commend you and other members of the Civil Aeronautics Board for the courageous, hardline-stand you are taking in the public interest at the present International Air Transport Association rate meetings.

I know I speak for many Senators and Congressmen who have become increasingly concerned as to the power of this international cartel to dictate fare boosts in the face of a growing traffic potential, the lion's share of which is, and will be, provided by the United States. I personally have been very disturbed over the prior policy of the CAB to sit by in quiet acquiescence allowing each round of IATA rates to go forward without challenge in the public interest.

Your presence in London, and the recent decision of the Board finally to reject the rates proposed by this cartel is an overdue necessity. I most sincerely urge you to hold fast to your position, even if this may eventually result in the declaration of an "open competitive rate" for American carriers, and the possible dissolution of the IATA combination. Our American aviation policy has always been one of promoting competition and innovation both in fares and service, to greater benefit of airline passengers and shippers. Certainly where this country is the fundamental source of such customers, the CAB has the basic duty to see that they are fairly charged commensurate with the reasonable protection of a continuing competitive air network.

I am informed that there is a possibility that foreign carriers which desire these rate increases may effectuate some sanctions against our air carriers if they do not cooperate with the agreed upon IATA rates. I most certainly hope that the foreign carriers will make a special effort to understand the importance of our country's position on this rate matter, and not see fit to test our determined stand through moves of

retaliation which can only lead to counter moves by our Government to protect its interests.

Therefore, I compliment you, the other Board members and the CAB staff in the position you are asserting, and I urge that you will not deter from your course, but rather make it crystal clear to all foreign carriers that this country will not accept the international rate increases and will utilize all available powers to protect itself from any adverse consequences arising out of any retaliation.

You are in a position of strength with the public interest of airline customers on your side. You are right, and your position must be respected.

I would very much appreciate meeting with you when you return to Washington for a discussion of this problem and the need for possible legislation directed to furthering the protection of the public interest in this regard.

Sincerely,

ESTES KEFAUVER.

Mr. KEFAUVER. Mr. President, the Senator from Washington [Mr. MAGNUSON] chairman of the Senate Commerce Committee, in a speech before this body solidly denounced the efforts of IATA and the foreign governments to threaten our country into following the cartel, and he stated:

The issue is not whether international air fares should be lowered, increased, or otherwise modified, but rather whether this country will withstand pressure to compromise its position and in so doing, principle. Our Government through its properly delegated agency, the Civil Aeronautics Board, has determined that a fare increase is not warranted and is contrary to the public interest. In this connection it might be well to point out that American citizens represent the primary source of the international air travel market—it will be American citizens who must bear the major burden of any fare increase. My personal concern is not whether foreign carriers raise their rates but rather that foreign governments do not dictate fares to our carriers contrary to the expressed mandate of our Government. Our carriers operate efficiently and profitably at current fares. If foreign carriers cannot compete at these levels perhaps some soul searching as to the need for their continued existence would be in order. In any event, American citizens are not to be denied the choice of lower fares which our carriers are willing and able to provide.

Senator MAGNUSON then set forth a number of existing powers which the Civil Aeronautics Board and the Executive have to counter the threatened retaliation by the foreign governments, and he warned:

There are apparently some who, perhaps with some justification when reviewing negotiations of the past, hold to the conviction the United States will at the last minute acquiesce. This conviction has been nurtured by certain individuals, although fortunately very few, who have publicly supported the U.S. position and privately sought its retrenchment. To those few I seriously commend a studious review of our criminal statutes.

Finally, Senator MAGNUSON spelled out what most of us thought to be the U.S. position:

The United States has made clear its position in this matter and its determination to take whatever action may be appropriate to maintain it. If, as a consequence, inconvenience or hardships are imposed upon some of our citizens, I think they all would

nevertheless urge that we stand firm in what we think is right. If in the past this country has been too modest to show others that it has more backbone than they might suspect, today and tomorrow may shock them. Theodore Roosevelt's big stick has been taken out of storage.

At the very time that Chairman Boyd was asserting the CAB's strong stand in conferences with foreign representatives, the President issued a major report setting forth positive U.S. policy concerning international air transportation. That report reasserted our belief in a strong, competitive international airline network, and gave notice that this country would make every effort to press for lower fares and continue to disapprove IATA rates "if they are clearly unreasonable." It expressed a U.S. determination to pursue and protect our public interest position aggressively and vigorously. There appeared to be little doubt that there had been a departure from prior policy, and that we were now really going to fight these cartelized increases.

Now, Mr. President, look what has happened. At 3 o'clock today, practically on the eve of crucial negotiations to be held in Bermuda, the CAB has announced that it is backing off—capitulating to the demands of the United Kingdom that we push up our fares to the new IATA level. This is apparently being done at the insistence of the State Department, but on this we need clarification.

The story is that the United Kingdom has warned our American carriers that they cannot land on British soil if they refuse to charge the higher fares, and that American planes will be impounded in Britain. This is an extraordinary action, and an insult to our sovereignty. The British have taken this action apparently without substantial notice, and before we had the opportunity to negotiate further with them and the carriers at the Bermuda conference.

The State Department, knowing full well that we have existing powers of retaliation to contain these threats by the United Kingdom, has nevertheless retreated to a protectionist, conservative position and in doing so it has turned its back on the public interest. It has held us up to our European neighbor as bluffers, weak when the in-fighting gets the toughest, and a country without power to protect our basic economic beliefs when the time comes to stand up and be counted.

What is this British power, when the lion's share of transatlantic traffic is American inspired, to attempt to reform our American airline policy by such egregious threats and retaliation? The sad fact may well be that the British carriers are just not as efficient as American carriers, and should do some drastic soul-searching to find out how to operate at a profit at reasonable rates. One thing the State Department should have remembered is that American consumers do not intend to subsidize the inefficiencies of foreign competitors. Yet by giving into these foreign dictated rates, that is precisely what we are doing.

You may ask me, Mr. President, what

is it that I would have wanted the State Department and the CAB to do. I have no difficulty in answering that because I anticipated the answer when I first supported Chairman Boyd. Go all the way to protect our interests against these sanctions. Chairman MAGNUSON, an expert here, has given the State Department a full briefing on our powers. The important ingredient of the issue here—the public interest—is far too great to be jettisoned by State Department surrender.

I am well aware of the traditional attitude of our diplomatic representatives who desire harmony among our allies and protection of American property interests. I also appreciate that they do not like the idea of waving sticks at the United Kingdom—but we have a vital issue here. We are tired of being the victim of IATA, tired of being dictated to by foreign cartels. We are absolutely entitled to a strong, progressive, get-tough policy when our economic rights of competition are threatened in the manner of the recent British action.

I say, gentlemen, this is an astonishing precedent. We hold ourselves out as giants fighting for a universal cause of the public good—lower, competitive fares, where the situation can support it, and yet on the eve of our strongest hour, the rug is pulled out from under us by the State Department, when there is sufficient power, sufficient protection now existing to embark upon a tougher American policy.

We have to face up to these international economic problems. There is a distance between the cartel approach—the protectionist approach of British and European thinking—and the anti-monopoly, free, competitive approach of the United States.

We have to stand firm. Congressional policy demands we stand firm and fight for our principles. Our future as an international competitor requires us to stand firm. This indeed, Mr. President, is not the end of the matter. Much exploration must now be done to find where and why we failed today. I intend to cooperate with Senator MAGNUSON in finding the answers to this issue. There are many antitrust implications. The Senate Antitrust and Monopoly Subcommittee staff has been watching these developments closely, and I have now given them new instructions to step up their investigation of the antitrust aspects of all international airline operations. We have just begun to look under the rug here.

Finally, Mr. President, there is talk of the need for legislation. Well, we can wait for "clarifying" legislation for ages. We are always waiting for good legislation. I will support strong legislation setting forth powers which are equal to those of other governments. However, in the meantime, there is plenty of power around right now to meet this U.K. action, and meet it we should have done, fast and firm.

I hope there will be a reconsideration by the CAB and the State Department for we have gotten off to an unfortunate start in this most important interna-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued May 16, 1963
For actions of May 15, 1963
88th-1st, No. 72

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HIGHLIGHTS: Senate debated feed grains bill. Senate agreed to conference report on supplemental appropriation bill. Senate subcommittee voted to report Interior appropriation bill. House received conference report on outdoor recreation development bill. House Rules Committee cleared Mexican farm labor extension bill. House passed public debt increase bill. House committee voted to report bill to extend Reorganization Act. Rep. Curtis introduced and discussed bill to place cooperatives under antitrust laws.

SENATE

1. FEED GRAINS. Continued debate on H. R. 4997, to extend the feed grain program to 1964 and 1965 crops. pp. 8174-81, 8196-8236

Rejected the following amendments:

By Sen. Hickenlooper, 37 to 50, to provide that ASCS Committees "shall not be used to influence farmers in regard to any legislation being considered by the Congress of the United States; to compel, coerce, or bring undue pressure upon farmers to participate in voluntary programs of the United States Department of Agriculture; or to provide other than factual information to farmers." pp. 8174-81

By Sen. Aiken, 38 to 52, to provide that differentials in feed grain prices that have existed historically between various geographic areas shall be observed by CCC in the valuation of any feed grains released under the authority of this bill. pp. 8196-8202

By Sen. Curtis, 28 to 61, to provide for an additional 25 percent duty on imports of beef, veal, pork, mutton and lamb. pp. 8202-10

By Sen. Dominick, 30 to 61, to exempt Moravian barley from provisions of the bill. pp. 8210-2

By Sen. Simpson, 31 to 58, to provide for increased duties on imports of certain cattle, beef and veal. pp. 8213-8

By Sen. Williams (Del.), 34 to 48, to provide that the Secretary of Agriculture shall not require any employee of the Department of Agriculture, including elected county committeemen or alternate county committeemen, to sign any pledge that "he will support the program he is called upon to administer." pp. 8225-30

By a vote of 44 to 36, tabled an amendment by Sen. Cotton which he stated "provides that the subsidy or payments which permit the sale of U. S. raw cotton abroad for a certain price shall be extended in such a way that the mills in this country - without loss to the producers of cotton - may buy their raw material at no greater price than that paid by their competitors in other countries. pp. 8230-6

2. APPROPRIATIONS. Agreed to the conference report on H. R. 5517, the supplemental appropriation bill for 1963, and acted on the amendments in disagreement (pp. 8182-95). This bill will now be sent to the President. See Digests 66 and 71 for items of interest to this Department.

A subcommittee of the Appropriations Committee approved for full committee consideration of H. R. 5279, the Department of the Interior and related agencies appropriation bill for 1964 (includes the Forest Service). The "Daily Digest" states that "It was announced that the full committee would meet in executive session to consider this bill on Wednesday, May 22." p. D328

3. BUILDINGS. The Foreign Relations Committee reported with amendment H. R. 5207, to authorize additional appropriations for foreign buildings, including Agricultural Attache housing (S. Rept. 178). p. 8271

4. WHEAT. Sen. Miller inserted an article presenting the pros and cons of the wheat referendum, "Wheat Vote: Historic Farm Election." p. 8135

5. PERSONNEL. Received from the Civil Service Commission a proposed bill "to terminate cost-of-living allowances for statutory-salaried Federal civilian employees in nonforeign areas"; to Post Office and Civil Service Committee. p. 8133

6. PESTICIDES. Sen. Ribicoff announced the beginning of hearings May 16 on the control of pesticides and other chemical poisons, and stated that the following witnesses have been scheduled to testify: Secretary Celebrezze, on May 21; Secretary Udall, on May 22; and Secretary Freeman, on May 23. p. 8150

7. MINING. Sen. Lausche commended the introduction of a bill in the Ohio Legislature "which would substantially strengthen Ohio's present strip mining law." pp. 8151-2

8. VOCATIONAL EDUCATION. Sen. Jordan (Idaho) urged an expansion of the vocational education program and inserted an article on the matter. p. 8161

9. ELECTRIFICATION. Sen. Kefauver commended the TVA on its 30th anniversary and inserted an article commending the work of the agency. pp. 8162-3

Political factors, both in Peiping and Washington, will weigh heavily in any change of policy toward selective controls.

It is not certain that Peiping will want to buy from the United States without insisting on political settlements. However, as this country is potentially Communist China's largest Western customer, such insistence is not considered likely, according to informed observers.

MSU STUDENTS ORGANIZE A DOMESTIC PEACE CORPS

Mr. HART. Mr. President, unhappily these days the newspapers across the country are filled with acts of violence and stories of racial intolerance. It is important that equal attention be given to those positive and constructive steps that are being taken more quietly by people in all parts of the Nation to promote mutual understanding.

An example of the sort of thing I am talking about is given us by a group of students at Michigan State University. They have organized their own "domestic peace corps" which visits the schools and homes of the "underachievers." Why such visits? To excite an interest in education that will make the youngsters want to stay in school.

This is an imaginative approach to the ominous dropout problem, and I would hope it could be the forerunner of a major attack on this problem. To the dedicated young men and women who are doing this job, I am sure we want to say "Well done."

Both as tribute to them and encouragement to others, I ask unanimous consent that the article from the Detroit News of April 29, 1963, describing this program, be inserted in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Detroit (Mich.) News, Apr. 29, 1963]

MSU PEACE CORPS IN MICHIGAN (By William W. Lutz)

PONTIAC.—A group of dedicated students, Michigan State University's own version of the Peace Corps, has set off on a statewide search for tolerance and ambition.

Organized and conducted by volunteers who devote their time and enthusiasm, the MSU Student Education Corps is working in schools with more than the normal number of economically deprived children.

They believe that the place to stimulate tolerance toward others and a desire to succeed in life is with the young.

PONTIAC PROJECT

At the moment their target is seven elementary schools designated by the Pontiac Board of Education as containing more than the average number of youngsters who come from homes lacking in economic and social advantages.

The MSU students also have been making trips to the Lansing and Flint areas.

Under the general supervision of MSU Associate Prof. David Gottlieb, of the College of Education, the corps, organized 2 weeks ago, already has 125 student volunteers.

Twenty are working here at the invitation of the board of education.

With college students ranging from 18 to 49 years of age and from sophomores to can-

didates for doctorates, the corps works without pay or academic credit, sandwiching duties between their college programs.

SPEND DAY IN SCHOOL

They travel in car caravans leaving the East Lansing campus in time to report for the 8:30 a.m. classes here and return after school ends at 3:30 p.m.

The corpsmen say they will travel to any school districts that invite them.

"Our object," says Elaine Kindlund, 21, of Lansing, an MSU sociology junior, "is to excite an interest in education that will make the youngsters want to stay in school."

Youngsters from economically deprived homes, Pontiac's Board of Education has found, are a big source of the city's dropout problem. An estimated 7 percent of Pontiac teenagers are dropouts.

Where there is little interest in education, youngsters tend to drop out of high school in their second or third year, says Gerald White, Pontiac's elementary schools director.

Delinquency, he adds, is highest among dropouts.

GOAL OF CORPS

MSU's corps has a single goal—"keep them in school by whetting their appetites for learning."

Corps assistance is not restricted to youngsters coming from poor homes but are extended to all the children in each school.

Pupils who tend to get the most attention, however, are called "the underachievers."

White says that "underachievement" often does not indicate a lack of ability. Many such children score well on intelligence tests when they reach high school, yet show little interest in continuing.

REASONS FOR QUITTING

Lack of social contacts and of cultural advantages, often due to low family incomes, are reasons given by many dropouts. Many have not traveled more than a few blocks from their homes, school officials say.

The board's program in the seven designated schools—Franklin, Bethune, Bagley, Central, McConnell, Wilson, and Whittier—includes remedial reading, extra school field trips, and more cultural activities.

MSU corpsmen help teachers by working individually with children and in small groups first seeking to make friends.

They begin by talking with teachers and learning which children need help. Then the corpsmen sit in classes and observe their subjects, following this up by visiting their homes.

HUNT OWN ANSWERS

Corpsmen are encouraged to find their own solutions.

For instance, Bruce Kelden, 21, of Lansing, a prelaw senior, after observing at Franklin School, got a group of foreign students at MSU to record their impressions of both their homeland and the United States on tape. The tapes are to be played in Mrs. Arlean Bailey's sixth-grade social science class.

Some corpsmen sing songs and twang a guitar to excite young minds.

Sandra Parnell, 19, of Williamstown, Mass., a home economics sophomore and summer camp counselor, and Peggy Meyer, 19, of 18962 Warrington, Detroit, a sophomore in social work, chose playground games as a way of winning the friendship of young pupils.

COLLEGIANS GAIN ALSO

Says Gottlieb, who inspired the corps during a lecture at MSU describing the problems involving economically and socially deprived children:

"We started the corps hoping to incite interest in education at the elementary level and thus reducing a bigger problem later on."

"I think we also have caused some excitement at the college level."

FIFTEENTH ANNIVERSARY OF ISRAEL

Mr. DOUGLAS. Mr. President, when a brave group of Israeli leaders proclaimed the State of Israel before a hushed audience 15 years ago today, Israel's friends hardly dared to hope that its independence might be relatively secure within a few years. In May of 1948 the circumstances all seemed to be against Israel. As Chaim Weizmann proclaimed the Jewish state shortly before the Sabbath to that small group in Tel-Aviv, the new country was threatened by invading armies on all sides. The Israel that was established in May 1948 had a Jewish population of 650,000. Some of its residents were born there, others had emigrated from Eastern Europe since the start of the Zionist movement, while still others arrived after the Second World War, the last remaining survivors of the Hitlerian holocaust. The survival of the new nation was in question from the moment of its birth.

Today, 15 years later, more than a million newcomers have made their home in Israel. Her economy and defenses have been strengthened. Despite their vastly differing backgrounds and varying languages and dialects, the people of Israel have been able to reunite themselves into a nation, to restore a long neglected and seemingly unproductive land and work its soil to the utmost, to build new villages and cities, to encourage the development of industry, to set up an outstanding educational system and to promote cultural pursuits.

Aided by her own remarkable efforts and the assistance of friends throughout the world, Israel has become the bulwark of democracy in the Middle East. Her own astounding economic progress has enabled her to assist other peoples on the road to economic independence. The ability of the people of Israel to shape their own future has won the praise of self-respecting freemen everywhere. I take great pleasure in saluting Israel on the 15th anniversary of her birth and in extending my heartiest congratulations to her citizens for whom I have great personal respect and warm personal feelings.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 5366) making appropriations for the Treasury and Post Office Departments, the Executive Office of the President, and certain independent agencies for the fiscal year ending June 30, 1964, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. GARY, Mr. PASSMAN, Mr. CANNON, Mr. PILLION, and Mr. CONTE were appointed Managers on the Part of the House at the conference.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 2440) to authorize appropriations during fiscal year 1964 for procurement, research, development, test, and evaluation of aircraft, missiles, and naval vessels for the Armed Forces, and for other purposes, and it was signed by the President pro tempore.

COMMITTEE MEETING DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I renew my request that the Antitrust and Monopoly Subcommittee be authorized to meet during the session of the Senate today.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The additional time granted for morning business has now expired.

Mr. MANSFIELD. Mr. President, is the Senate now operating under the time limitation?

The VICE PRESIDENT. The bill must first be laid before the Senate.

FEED GRAIN ACT OF 1963

The Senate resumed the consideration of the bill (H.R. 4997) to extend the feed grain program.

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (H.R. 4997) to extend the feed grain program.

The VICE PRESIDENT. The pending amendment is the amendment of the Senator from Iowa [Mr. HICKENLOOPER] No. 85. There is a time limitation of 1 hour of debate, which will be equally divided.

Mr. MANSFIELD. Mr. President, I yield myself 2 minutes for the purpose of suggesting the absence of a quorum.

The VICE PRESIDENT. The absence of a quorum has been suggested. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

The VICE PRESIDENT. The 2 minutes allotted for the call of the roll have expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the quorum call be continued, but that the time necessary for the call of the roll not be charged to the time on either side; and I wish to notify the Senate that this will be a live quorum.

The VICE PRESIDENT. Is there objection to the request by the Senator from Montana? The Chair hears none, and it is so ordered. The clerk will continue to call the roll.

The Chief Clerk resumed and concluded the call of the roll, and the following Senators answered to their names:

[No. 72 Leg.]

| | | |
|-----------|--------------|----------------|
| Alken | Lausche | Pastore |
| Bennett | Hickenlooper | Ribicoff |
| Burdick | Hruska | Saltonstall |
| Cotton | Inouye | Simpson |
| Edmondson | Jordan, N.C. | Smith |
| Ellender | Keating | Williams, Del. |
| Fulbright | Mansfield | Yarborough |
| Kuchel | Miller | |

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Illinois [Mr. DOUGLAS], the Senator from Tennessee [Mr. KEAFUVER], the Senator from Michigan [Mr. McNAMARA], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], and the Senator from Rhode Island [Mr. PELL] are absent on official business.

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Illinois [Mr. DIRKSEN], the Senator from New York [Mr. JAVITS] and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The VICE PRESIDENT. A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. BARTLETT, Mr. BAYH, Mr. BEALL, Mr. BIBLE, Mr. BOGGS, Mr. BREWSTER, Mr. BYRD of Virginia, Mr. BYRD of West Virginia, Mr. CANNON, Mr. CARLSON, Mr. CASE, Mr. CHURCH, Mr. CLARK, Mr. COOPER, Mr. CURTIS, Mr. DODD, Mr. DOMINICK, Mr. EASTLAND, Mr. ENGLE, Mr. ERVIN, Mr. FONG, Mr. GOLDWATER, Mr. GORE, Mr. GRUENING, Mr. HART, Mr. HARTKE, Mr. HAYDEN, Mr. HILL, Mr. HOLLAND, Mr. HUMPHREY, Mr. JACKSON, Mr. JOHNSTON, Mr. JORDAN of Idaho, Mr. KEFAUVER, Mr. KENNEDY, Mr. LONG of Missouri, Mr. LONG of Louisiana, Mr. MAGNUSON, Mr. MCCARTHY, Mr. McCLELLAN, Mr. McGEE, Mr. MCGOVERN, Mr. MCINTYRE, Mr. MECHEM, Mr. METCALF, Mr. MONRONEY, Mr. MORSE, Mr. MUNDT, Mr. NELSON, Mrs. NEUBERGER, Mr. PEARSON, Mr. PROUTY, Mr. PROXMIER, Mr. RANDOLPH, Mr. ROBERTSON, Mr. RUSSELL, Mr. SCOTT, Mr. SMATHERS, Mr. SPARKMAN, Mr. STENNIS, Mr. SYMINGTON, Mr. TALMADGE, Mr. THURMOND, Mr. TOWER, Mr. WILLIAMS of New Jersey, Mr. YOUNG of North Dakota, and Mr. YOUNG of Ohio entered the Chamber and answered to their names.

The VICE PRESIDENT. A quorum is present.

The Senator from Montana is recognized.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, notwithstanding the unanimous-consent agreement entered into, there now be allotted 15 minutes for the consideration of the conference report on the supplemental appropriation bill.

The VICE PRESIDENT. Is there objection?

Mr. COTTON. I object.

The VICE PRESIDENT. Objection is heard.

The Senator from Iowa is recognized. The Senator from Iowa has 30 minutes.

Mr. HICKENLOOPER. I yield myself 15 minutes, or so much of that time as I need.

COMMITTEE MEETING DURING SENATE SESSION

Mr. FULBRIGHT. Mr. President, will the Senator yield to me for 30 seconds? Mr. HICKENLOOPER. I do.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be permitted to meet today for consideration and voting on H.R. 5207, the Foreign Buildings Act amendments and amendments thereto, notwithstanding the session of the Senate today.

The VICE PRESIDENT. Without objection, it is so ordered.

FEED GRAIN ACT OF 1963

The Senate resumed the consideration of the bill (H.R. 4997) to extend the feed grain program.

Mr. MANSFIELD. Mr. President, will the Senator yield briefly?

Mr. HICKENLOOPER. I yield.

Mr. MANSFIELD. If the Senator from Louisiana [Mr. ELLENDER] will yield me half a minute, I would like to say, for the edification of Senators, that the time is divided between the Senator from Iowa, author of the amendment, and the Senator from Louisiana [Mr. ELLENDER], chairman of the Committee on Agriculture and Forestry.

The VICE PRESIDENT. The Senator from Iowa is recognized for 15 minutes.

Mr. HICKENLOOPER. Mr. President, I will say, while there is a substantial number of Senators on the floor, that the measure we are considering and the amendments to be offered to the feed grain bill are vital measures for the great agricultural plant of the United States. Frankly, I was considerably disappointed yesterday afternoon at the lack of attendance during the debate.

I assure Senators that there is something far deeper involved in the proposed legislation than mere amendments or details. It goes deeply into the philosophy of Government control over the agricultural system. I believe that the various amendments that have been submitted should be given serious consideration by the Senate, and not mere perfunctory attention. I trust that that will be the case.

The amendment now pending, amendment No. 85, is directly applicable to the precedent which is being established by the Secretary of Agriculture in coercing members of the ASCS committees at the grassroots to lobby for his programs, contrary to what I believe to be the intent of the Agricultural Act and contrary to the attitudes of various former Secretaries of Agriculture.

There is a considerable volume of evidence in the hearings which shows, not only through speeches, but through releases by supervisors, and by policymakers, that the Department of Agriculture is practically demanding that ASCS committee members support a so-called yes vote in the referendum. There is evidence in the record, and there is a great deal more, if we had the time to

gather it from all over the country, which shows that the ASCS group, which has always been considered to be an impartial group for the purpose of serving the farmers who elect them, should not be used as a lobbying group or as a group to advocate a particular philosophy of the Department of Agriculture. Yesterday afternoon I spoke at some length on the so-called loyalty oath, which the Secretary of Agriculture now requires all of the ASCS committeemen to sign, as published in the Federal Register of March 1, of this year, and also the new regulations, in which he has arrogated to himself the right to supersede and displace ASCS committeemen anywhere in the United States without cause, if he so desires. The coercive powers that are possessed by him, go further than anything I have ever heard of in Government.

The amendment that I have offered, which is now before the Senate, reads:

On page 12, after line 13, add the following new section:

"SEC. 105. Notwithstanding any other provision of law, local, county, and State committees created pursuant to the provisions of section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, shall not be used to influence farmers in regard to any legislation being considered by the Congress of the United States; to compel, coerce, or bring undue pressure upon farmers to participate in voluntary programs of the United States Department of Agriculture; or to provide other than factual information to farmers. None of the funds authorized to be appropriated by this Act nor any other funds which have been or will be appropriated to the United States Department of Agriculture shall be used to finance the foregoing prohibited activities."

Mr. President, until this spring, I am sure most of us thought such an amendment would not be necessary, because its provisions were already contemplated in the law. There is a sort of twilight zone, but I point out that former Secretaries of Agriculture have considered that that is not a function of ASCS committeemen, and that they have prohibited such activities. However, with the two regulations which were published by the Department of Agriculture in the Federal Register this year, there is no question that this coercion is now being used on ASCS committeemen all over the United States.

My amendment is necessary in order to affirmatively notify the Department of Agriculture that the ASCS committeemen serve in the administration of laws already adopted and that they are not to be used on Government time, or to have them go out and advance particular philosophies in the areas they serve.

We should constantly keep in mind the fact that ASCS committeemen are not appointed by the Secretary of Agriculture. They are elected by their friends and neighbors, to serve them, not to be coerced or bamboozled into some philosophy that may emanate from the bureaucracy in Washington.

I said before, and I say again, that there is something deeper involved here than the mere provisions of the bill that are being referred to.

The fundamental difficulty and problem we face is that this is a major step to get control over the agricultural plant through bureaucratic regimentation. If this program succeeds in this segment of agriculture, we will see it extended very rapidly to cattle and cotton and all the other products. I say that because it is basic and inherent, in my judgment, in the writings and speeches and philosophies put out by the people who are making policy today in the Department of Agriculture. We find that it runs all through their philosophy, that it is essential that the Federal Government take over control, even including marketing and the pricing of commodities for the farmers of this country.

It is a major step toward bureaucratic centralization of power in agriculture. That is the real issue involved in the ball of wax that is referred to as this so-called agricultural program.

I point out, as I did yesterday, that it is not necessary to enact the bill, that there is no emergency with respect to it except the emergency of attempting through some of its provisions, to coerce a vote in the Wheat Belt. We are operating under the law that affects the crop of 1963. The pending bill is designed to go into effect for the crop year of 1964.

A great many amendments were proposed before the Committee on Agriculture and Forestry which I am confident met with the personal approval of many individual members of the committee. However, there was a tremendous amount of persuasion used along the line: "You do not dare amend the bill, because if you do, it will have to go back to the House, and if it goes back to the House it will have to go to conference, and the vote date on the wheat referendum will pass before it can be enacted into law."

There is no question about that. No emergency exists. The attempt is to use a law that will be applicable to the whole feed grain segment of agriculture as a political maneuver to try to win an election on next Tuesday in the farm belt. There has been created the most monumental confusion among farmers that I have ever known of in this area.

There are a great many things in the bill that should be corrected. That is why this amendment is offered.

As I stated yesterday, as I repeat again today, and as I shall probably repeat again and again during this discussion, when we hear talk about the success of the agricultural program in the past year or so, and when we hear emanating from the Department of Agriculture the idea that the Department has been so successful, I merely say, first, that we now have the lowest parity ratio that has existed since the 1930's. The quantities of stocks of the Commodity Credit Corporation are higher than they were last year. More commodities are in stock. Soybeans, which were not in storage last year, have risen almost to 9½ million bushels. Soybean cake and oil are running out of our ears. The Senator from Vermont [Mr. Aiken] pointed out yesterday that we are, so to speak, swimming in a sea of butter which has accumulated because the Government has been tinkering with the dairy situation, which

had been on the way to getting along pretty well.

This spring, hogs and cattle, basically, have been at one of the lowest ebbs in years. Certainly \$13 hogs do not bring prosperity to farmers; and \$19, \$20, or \$21 finished cattle do not bring prosperity to farmers. Does that indicate that this has been a successful program?

For 8 years, during the Eisenhower administration, when the farmers received higher average farm prices than the Democrats had given us at any time during peacetime, cries went up about Benson: Mr. Benson was an ogre; he was terrible; everything was Mr. Benson's fault. But Mr. Benson never gave us the consistently low prices that have existed during the Democrat administration. Where are those who will blame the present low prices on the Secretary of Agriculture, but who blamed them on Mr. Benson 4, 5, and 6 years ago? Where are they now? I do not see any of them rising to say that the failure of the present agricultural program is Mr. Freeman's fault. There are some who are saying it; but I am talking about the ones who put the blame for low prices on Mr. Benson. Prices under the farm program then were not so low, on the average; and the farm program then did more for the farmers than the so-called program which is now in effect. We have some things to think about. That is an interesting commentary, politics being what they are.

The major issue involved is an affirmative declaration by Congress that the ASC committeemen are not to be prostituted in their jobs of service by being coerced, as they are being coerced, and as they will be coerced under the Executive orders published in the Federal Register, under the loyalty oath, and under the threat of discharge without cause, into supporting the adoption of programs as contrasted with the service of programs that have already been put into effect by acts of Congress.

Mr. President, I reserve the remainder of my time.

Mr. ELLENDER. Mr. President, this amendment was submitted to the Committee on Agriculture and Forestry while the committee was considering reporting the bill, and was defeated by a vote of 10 to 7. As I sought to point out yesterday, the evidence submitted by the Senator from Iowa [Mr. HICKENLOOPER] was based on a few letters received from committeemen who admittedly were against the referendum. There is no evidence whatever in the RECORD to indicate influence in connection with these letters, some of which, as has been said, were signed by committeemen who stated that they were against the wheat referendum.

There is no doubt in my mind that the purpose of the Senator from Iowa is to make every effort to prevent passage of the bill this week. The Secretary of Agriculture stated that he was hopeful that the bill could be enacted before May 21. I think he had good and valid reasons to offer as to why the bill should be enacted this week.

When Congress passed the wheat bill last year, a provision was included which

permitted the wheat farmer to substitute acres on which he could plant corn or other grain for wheat to be used as feed grain. That provision of the wheat law can come into being only if Congress enacts a feed grain bill. That is one of the purposes of extending the bill.

Mr. MANSFIELD. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield for a question.

Mr. MANSFIELD. On the basis of the evidence to date, I must disagree with the statement of the chairman of the Committee on Agriculture and Forestry that the purpose of the Senator from Iowa is to delay the passage of the bill. I think his primary purpose is to defeat the bill, if at all possible; but in all honesty, I must say that the distinguished Senator from Iowa was most accommodating and helpful in trying to reach an agreement which would make it possible for a vote to be taken on the bill this week, at a time certain on Thursday, and also in the matter of limiting amendments.

But on another point, I would be in disagreement with the Senator from Iowa and in accord with what the Senator from Louisiana, the chairman of the committee, has said, namely, with respect to a wrong connotation of the evidence which has been presented both in the Committee on Agriculture and Forestry, in the press of my State, and on the floor of the Senate yesterday and today, relative to the action taken by the ASC committee in McCone County, in eastern Montana.

This subject was brought to the attention of the Senate committee. Secretary of Agriculture Freeman was asked about it. As the report, hearings, and RECORD will indicate, that particular committee asked for an additional \$8,000, and was allowed \$900. The purpose of the money was not to tell the farmers of McCone County how to vote, but to explain to them just what was contained in the referendum on which they would be called upon to vote as wheat farmers on May 21.

Some references, in the hearings, were made about the chairman of the State ASC committee, a woman of high standing and sound integrity, and having a wide knowledge of farming. I believe she is the only woman who is chairman of a State ASC committee. My distinguished colleague from Montana [Mr. METCALF] and I have been in contact with the chairman of the Montana State committee, and she has assured us—and we believe her without question—that the purpose of the money was not for propaganda but, as the law makes mandatory, to explain to the farmers of the county exactly what is involved in the wheat referendum.

So far as the farmers of that county, or of any other county in the United States, are concerned, it is up to them to vote either "yes" or "no," because the responsibility is theirs, and theirs only. The State ASC committee was only carrying out the law in allocating \$900 to McCone County. The State committee turned down the request for an additional \$8,000 because the county committee had overspent its budget, and was allowed only \$900.

I call upon the distinguished chairman of the Committee on Agriculture and Forestry either to confirm or deny that statement.

Mr. ELLENDER. The record speaks for itself. That is what I was trying to point out to the Senate.

I did not mean to accuse my good friend the Senator from Iowa, of delaying the bill in the Senate. But everyone knows that if the bill were to be amended, it could not possibly be enacted by May 21. That is what I was trying to convey. That is why I say that if we were to amend the bill in any manner, in my judgment, there would be no possibility of its enactment by May 21. That is, unless the House capitulated, which is doubtful, and conferees of both Senate and House met a few hours after the bill was passed, which is doubtful, and the conferees ironed out the differences, which is doubtful, and unless the House remained in session long enough to vote either up or down, which is doubtful, whatever the conferees agreed upon.

These are really not exactly delaying tactics; but I repeat that if this amendment were to be adopted—and in my opinion it would be out of place in the bill, as I shall show in a moment—it would mean that it would be impossible for the bill to be enacted by May 21.

Mr. MANSFIELD. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield for a question.

Mr. MANSFIELD. I wish to corroborate what the distinguished chairman of the committee has said. If the bill is changed in any way, we can rest assured that the House will take its time—because there are various ways and means in which it can indulge—and will see to it that a markedly different bill is delayed beyond a reasonable amount of time. So the statement just now made by the distinguished chairman of the committee is correct; and it is our hope that the bill as passed by the House and as reported by the Senate Committee on Agriculture and Forestry will soon be passed by the Senate.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield for a question.

Mr. WILLIAMS of Delaware. What is there in the bill which makes it mandatory that Congress act by May 21?

Mr. ELLENDER. Nothing.

Mr. WILLIAMS of Delaware. Then why is there all this argument?

Mr. ELLENDER. Except, as I have just indicated, that in the wheat bill there is a provision, which will become operative if a feed grain bill is passed, and which may or may not influence the vote on May 21. The Senator from Delaware will remember that section 328 of the wheat law, as I recall, contained a provision that there could be a substitution of acreage from wheat to corn or from corn to wheat, for feed-grain purposes.

As has recently been indicated by the Senator from Iowa [Mr. HICKENLOOPER], his amendment No. 85 would prohibit ASC committees from being used to in-

fluence farmers with regard to pending legislation or to bring pressure upon farmers to participate in voluntary programs of the Department, and would prohibit the use of appropriated funds in connection with these prohibited activities.

I invite the attention of Senators to the fact that this amendment is not needed, since the same or comparable restrictions are currently included in the United States Code, 18 U.S.C. 1913. In other words, the use of committeemen to influence legislation is currently prohibited by law.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the statute which prohibits any Government employee from lobbying and using Government funds for that purpose.

There being no objection, the excerpt from the Code was ordered to be printed in the RECORD, as follows:

§ 1913. Lobbying with appropriated moneys.

No part of the money appropriated by any enactment of Congress shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation; but this shall not prevent officers or employees of the United States or of its departments or agencies from communicating to Members of Congress on the request of any Member or to Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business.

Whoever, being an officer or employee of the United States or of any department or agency thereof, violates or attempts to violate this section, shall be fined not more than \$500 or imprisoned not more than one year, or both; and after notice and hearing by the superior officer vested with the power of removing him, shall be removed from office or employment. (June 25, 1948, ch. 645, 62 Stat. 792.)

LEGISLATIVE HISTORY

(REVISER'S NOTE.—Based on title 18, U.S.C. 1940 ed., § 201 (July 11, 1919, ch. 6, § 6, 41 Stat. 68).)

Reference to "department" and "agency" was added in three instances after the words "United States" to remove doubt as to the scope of the section. (See definitions of "department" and "agency" in section 6 of this title.)

Reference to the offense as a misdemeanor was omitted as unnecessary in view of the definitive section 1 of this title. (See reviser's note under section 212 of this title.)

Words "on conviction thereof" were omitted as surplusage since punishment can be imposed only after conviction.

Minor changes were made in phraseology.

Mr. ELLENDER. Mr. President, the fundamental purpose and one of the great virtues of the farmer committee system is the ability of elected farmer committeemen to explain to their neighbors the farm programs which they are responsible to administer. This amendment is calculated to make the farmer committees less effective in the discharge of this important responsibility.

The success of any voluntary program depends almost wholly upon the understanding of farmers and the degree to which they participate. Substantial participation in these programs is necessary if stocks are to be brought into reasonable balance with needs, and if the cost of price-support activities to the taxpayer is to be reduced.

The amendment is so vague that it is not susceptible of uniform and fair administration. What amounts to pressure is subject to important interpretation and difference of opinion. What one person would consider pressure would not be so considered by others. This amendment, if adopted, could lead to serious harm, so far as the elected farmer committee system is concerned.

Mr. President, I point out that the county committeemen, as well as the community committeemen, are not appointed by the Secretary of Agriculture. They are selected by the farmers, and are charged with the responsibility of doing their duty. Let me read an excerpt from the testimony received by the committee.

Mr. HICKENLOOPER. Mr. President, will the Senator from Louisiana yield for an observation?

Mr. ELLENDER. I yield for a question.

Mr. HICKENLOOPER. The Senator from Louisiana correctly stated that the committeemen are not appointed by the Secretary of Agriculture. That is the point: They are not selected by him; they are selected and elected by their neighbors; but the Secretary of Agriculture can fire them whenever he wishes to do so.

Mr. ELLENDER. Mr. President, let me point out the testimony, which can be read by everyone. I inserted in yesterday's CONGRESSIONAL RECORD, beginning on page 7983, the following:

(On p. 35:)

Senator AIKEN. I would like to ask the Secretary one more question. I happen to be reading the rules and regulations which were issued on March 1. I find when it comes down to the county and community committeemen, their terms of office, that is, it states: "County and community committeemen and alternates to such office shall begin on the 1st day of the month next after their election: *Provided, however,* That before any such county committeeman or alternate county committeeman may take office he shall sign a pledge that he will faithfully, fairly, and honestly perform, to the best of his ability, all of the duties devolving upon him as a committeeman and that he will support the program he is called upon to administer."

The emphasis is on the word "administer."

I read further:

Does this mean under that regulation that you would hold that a county committeeman or a community committeeman would have authority to advise his wheat-growers to vote "no"?

Secretary FREEMAN. Yes, sir.

Senator AIKEN. In the referendum?

Secretary FREEMAN. Yes.

Senator AIKEN. He would?

Secretary FREEMAN. Yes. I might comment on this, because it has raised some questions. I know that this committee is aware of the fact that the administration of the farm program, I think, is unique in the annals of government in any country

that I know of. I do not know of any similar institution where elected county committeemen administer a program and make decisions involving the expenditure of many millions of dollars for which the Secretary of Agriculture is held responsible to the Congress and the people of the United States. Because of this structure, I think a good look, periodically, is healthy.

I appointed a bipartisan committee which made a study on the operations of the committee system. One of the recommendations was that in view of the responsibility of the Secretary and the necessity for effective administration that they thought that the people, in order to serve on county committees and community committeemen, ought to believe in the programs they carried forward and not be critical and hostile to them. And they recommended that the regulations be amended to provide that they should do so.

In view of that recommendation a proposed change in the regulations has been published in the Federal Register for all to see and give comments thereto. This does not mean that anyone is signing a blood oath, but it does say that they will honestly and faithfully carry this forward and in effect that if they do not believe in the program in question that they ought not to stand for election, because once elected they are called on to carry forward the programs passed by the U.S. Congress which I am responsible to administer.

And it seems to me that this is only logical and rational and as such this regulation has been promulgated in the Federal Register.

Secretary FREEMAN. I have carefully read these laws and regulations and feel that it is quite clear that it is one of the responsibilities of the ASC's and of the Department as a whole to inform the farmers of the alternatives of a decision that the Congress by law has set down for them to make.

Senator HICKENLOOPER. But do you—have your people been informing them of the alternatives or only giving them one side of the story, and that is the affirmative side, to vote "yes"?

Secretary FREEMAN. My instructions have been to give both sides, and we have had a number of pieces of literature prepared to that effect, that present both sides. There have been meetings held frequently in which there has been thorough discussion. As such, I feel that we are not acting improperly, but that we are only doing what we have a mandate to do.

There are many other pages from which I could read.

Here is another one:

Senator HICKENLOOPER. Now, Mr. Secretary, I would like to ask you, in view of the regulation and what has been referred to as the loyalty oath of ASC committeemen and community committeemen, which is now required to be signed by these people for eligibility for office, which I think is an innovation, and in view of the fact that the Department is clearly committed in its own opinion and your opinion to the desirability of an affirmative vote on this wheat referendum, if a county committeeman or a community committeeman go out and advise the farmers in their areas to vote on this wheat referendum, does that violate their loyalty oath?

Secretary FREEMAN. Of course not.

Senator HICKENLOOPER. And are they perfectly free to do that, if they want to?

Secretary FREEMAN. Of course. Obviously, you have just read a letter from one of them. He didn't seem very frightened. The county committeeman that wrote the letter the Senator just read was not very afraid.

He was opposed to it. As I said a moment ago, there was no evidence of

any coercion being used. The facts are that the committeemen had presented literature and views which they had. As I have said, some of the committeemen who solicited votes said in some of the letters that the Senator from Iowa [Mr. HICKENLOOPER] presented to the committee that they were against the wheat referendum. In response to questions asked by me of Secretary Freeman, "Was any action taken?" the answer was, "No, of course not." Mr. Freeman took the position that in the administration of the act, the committeemen have the right to go out and state the facts. I believe in most instances that is what really occurred.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. JOHNSTON. Not only do the committeemen have the right to do so, but it is their duty to do so.

Mr. ELLENDER. The Senator is correct. That is what Mr. Freeman stated.

Mr. President, I could read many other passages from the testimony of Mr. Freeman in which he stated directly and unequivocally his position on the question. I shall not take the time of the Senate to proceed any further with it.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield for a question.

Mr. HOLLAND. I admit that the testimony of Mr. Freeman was as stated by the distinguished Senator from Louisiana. However, certain other testimony given by him disturbed certain members of the committee. If the Senator would continue to read following the comments he was reading from page 35 of the printed record—

Mr. ELLENDER. I was reading from the CONGRESSIONAL RECORD.

Mr. HOLLAND. The Senator read from what has already been placed in the RECORD. But if the Senator will look at page 35 of the printed hearings, he will find that the quotation now in the CONGRESSIONAL RECORD stops at a certain point. Near the bottom of page 35 of the hearings, following the statement by Secretary Freeman that "this regulation has been promulgated in the Federal Register," appears the following:

Senator AIKEN. As of March 1 of this year?

Secretary FREEMAN. Yes.

Senator AIKEN. For the first time. However, the committeemen elected by the farmers are elected by the farmers of the community and of the county?

Secretary FREEMAN. That is correct.

Senator AIKEN. They are elected by them?

Secretary FREEMAN. Yes.

Senator AIKEN. Should they not represent the views of the farmers in their community or what?

Secretary FREEMAN. Well, that is a good question.

Senator AIKEN. I would say that is an excellent one.

Secretary FREEMAN. I am open to some comments in connection with it. In connection with the administration of the program, every farmer can vote in connection with who should be on the committee. We sometimes have the requirement that before someone can run for elective office you have got to be so old—you have got to live in the

county or in the State for so long, and so forth. There are certain minimum requirements.

In this instance, because they are going to actually administer a program involving millions of dollars, for which I am responsible to the Congress, they should believe in the program they are administering and that may be a reasonable requirement.

Mr. ELLENDER. I read that statement a while ago.

Mr. HOLLAND. I continue to read:

But I would be interested in the advice of this committee in connection with it. This is no effort to choke off or to thwart it. I believe in the elective county system. I have strengthened it substantially since I have been Secretary. I do not think we can administer the complex, detailed farm programs otherwise, but I must admit that I am a little uncomfortable, sitting in my corner office, with the knowledge that there are allegedly 10 to 20 percent of these people that are elected to committees who are vitally opposed to the programs that they administer. I do not think it is a very healthy situation.

It does not make me sleep very well.

Mr. ELLENDER. That statement confirms what I said a while ago. Many of the letters which the Senator from Iowa [Mr. HICKENLOOPER] read were from committeemen who are opposed to the program. Nothing has been done about that. They may have gone beyond what they should have done.

Mr. HOLLAND. Mr. President, if the Senator will yield further—

Mr. ELLENDER. How much more time have I remaining?

Mr. HOLLAND. I will ask for 3 minutes, time from the Senator from Iowa.

Mr. ELLENDER. I am willing to yield.

Mr. HOLLAND. The Secretary indicated that he would like the comment of the committee. So on page 83 I attempted to make some comments, which appear toward the bottom of the page:

Senator HOLLAND. May I make a suggestion here?

Senator HICKENLOOPER. Yes.

Senator HOLLAND. I think that the so-called loyalty oath might be rephrased. I am just offering the opinion of one Senator. It seems to me that what they can properly be obligated to do is to honestly administer the programs, but when you put in there that they must support the programs, given to them to enforce, that would indicate an approval and a recommendation and the like which I do not think there is any justification for asking a committeeman to do. One community might elect committeemen who would be completely opposed to the philosophy as to what we have done here in Congress, and yet they elect the people who would honestly and honorably enforce the law by enforcing the administration of the program. I would suggest for the record that it would be well to use some word indicating "honesty of administration," "of execution" rather than support. I do not know how the chairman would feel about that, but it seems to me that is more in accord with the system, because all farmers in every county in the Nation are not going to be in support of a program that is adopted by a majority. If that were so, why a two-thirds vote might be a 100-percent vote, instead of the two-thirds. And the law does not require 100 percent vote for a program.

Secretary FREEMAN. I think that is a very good suggestion.

Senator HOLLAND. My suggestion would be that it be reworded to simply require an

honorably administration in strict accordance with the law for the program and the like.

Secretary FREEMAN. Yes.

My question is as follows: Has there been any indication of a reappraisal of this regulation as suggested by me, that suggestion coming in response to an invitation from the Secretary to the committee to express its opinion? It seems to me very clear that the wording of the regulation as written is wrong. It requires a loyalty oath which shall pledge the committeeman to support the program that he is called upon to administer.

I think we all felt that the language went too far. Has that language been amended?

Mr. ELLENDER. I do not know that it has been as yet. I do not know that we have had to do it. The Secretary was willing. As I said before, the suggested changes in the regulations were not suggestions from the Secretary, but from a committee which had been working for some time before they were submitted to the Secretary. The Senator remembers that.

Mr. HOLLAND. I remember that the suggestions were submitted, but I also remember that the regulations were promulgated by the Department and published in the Federal Register.

Mr. ELLENDER. In accord with the recommendations made. The reason for publicizing in the Register was to give notice, so that people could make comments. The Senator is giving his comments. The committee gave its comments. The Secretary can act accordingly. He can change the regulations or make them permanent. They are not permanent yet, as the Senator knows.

Mr. HOLLAND. I wish to make it clear, as one Senator, that I think it is highly improper for a loyalty oath to require that a committeeman swear that he will support the program, when he may have been elected by a huge majority in his own area who did not believe in the program.

Mr. ELLENDER. Mr. President, how much time have I remaining?

The PRESIDING OFFICER (Mr. INOUYE in the chair). The Senator has 3 minutes remaining.

Mr. HICKENLOOPER. Mr. President, I believe that careful attention to the discussion on the floor today will fully sustain the position some of us have taken.

The Senator from Louisiana [Mr. ELLENDER], the able chairman of the Committee on Agriculture and Forestry, said that Mr. Freeman stated in his testimony—and that is true—that he had issued instructions to give both sides of this question. There is not a word of proof in the Record that that was done. There is not one sample of instructions that he sent out, of which I know, in the Record as to giving both sides of the question. On the other hand, there is page after page of evidence from ASC committees, from State headquarters, and from county committees that there was an urging of people to vote "yes" on the referendum.

So far as I know, no other document was sent out to any of the ASC committeemen. They were urged to vote "yes." So far as I know no document was sent out under the official auspices of the group, telling the farmers why anyone should vote "no," although the evidence in that regard is replete. Those facts have been published all over the United States extensively.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. ELLENDER. The Senator recalls that a number of pamphlets were filed with the committee. I did not think it proper to put all those pamphlets into the hearings.

Mr. HICKENLOOPER. I had the pamphlets at the hearings. There were two or three. I think at least two were put into the record of the hearings. Those were pamphlets put out by the Department showing the reasons why it was thought there should be a "yes" vote.

I have pointed out repeatedly, from the editorials that were used, how the administrators favored a "yes" vote.

In one instance there was an advertisement in a newspaper, and in the same newspaper there was a column showing the evils of a "yes" vote and what would happen.

All of that was not included in the information to the farmers. That argument was not given. It was a one-sided situation.

I appreciate the kind words of the majority leader a moment ago concerning the question of my delaying a vote. I am against the bill. I think it is the worst agricultural bill I have ever seen.

I have served on the Committee on Agriculture and Forestry for almost 15 years. Never before have I seen a farm bill come to the Senate from the other body, when the bill has not been subject to careful scrutiny and amendment in this body before action. This bill is being shoved through with all the speed of an express train. "No amendments," was the order, "no change in this bill. Take it as it came over."

There are plenty of things wrong with the bill. There are plenty of things that need correction in the interests of agriculture. Whether I am for the bill or not, the bill as it is written needs some fundamental correction and change.

This is the first time I have ever seen a bill put through with that speed, and with orders from somewhere—either from within the minds of Members themselves, or some other source—"Do not permit any amendments to this bill. Do not give serious discussion to any amendments to this bill."

I have never seen that happen before. There are members of the committee who have served longer than I have. I do not know what their experiences have been, but, as I say, I have served on the committee for more than 14 years. I have never seen it happen before.

So far as the McCone County, Mont., situation is concerned, and the statement that someone out there said that \$900 was being furnished to conduct a

referendum, all I ask Senators to do is to look at the RECORD. We have read into the RECORD the statement made over the signatures of four of the county ASC workers. They say that the \$900 was furnished for the purpose of holding meetings, including socializing events and including a potluck supper, to bring the farmers and their wives in, and persuade them to vote "yes." It was not to conduct a referendum, but to propagandize, to politic, and to lobby.

If we judge on the basis of numbers of witnesses, we have four to one who say that, and they signed their names to the statement.

Apparently meetings were held. I do not know.

This has been a fantastic operation by a Government department. The people should realize what it is.

It was brought out in the colloquy a moment ago that Mr. Freeman has made it perfectly clear that these people had better support what he tells them to support, in spite of the fact that they are elected by the farmers to serve the farmers. They had better support what he tells them to support, or the ax may fall.

Sometimes one does not have to say things in plain words. One of the difficulties experienced in prosecuting members of gangland in the early days was the fact that terms were used which some of the people understood but which in legal parlance did not have acceptance. If they said they were going to "hit" somebody, perhaps eventually it became understood that in gangland parlance that meant "go out and kill him." The gangsters understood what was meant.

It is not difficult—when one reads the whole attitude as expressed in the testimony by the Secretary, in the publication of the loyalty oath, in the publication of the provision that the Secretary can fire anybody at any time he wants to without cause—to put two and two together and get four. It is not necessary to go beyond four. The Secretary has that in the regulations. These people must support what he tells them to support. They are not appointed by him, but he is going to control them. They are supposed to serve the farmers who elect them, but the Secretary is going to tell them what to do. And he will have the power to fire every last one of them, up and down the line, without cause, if they do not do what he says.

Certainly the Secretary was not going to fire any of these people immediately prior to the vote on this bill. Nobody thinks he would. I do not think that Mr. Freeman is a stupid man. I think Mr. Freeman is very intelligent, and has a likeable personality. I like him personally. I do not dislike him.

I disagree with his policies, but I do not think anybody in that office would be stupid enough to fire a group of people before the vote was taken in the Congress on this legislation. I do not know how soon the ax will fall, once they get their way. I do not know what will happen then. Certainly the threat exists. Certainly the coercion is laid on the books. The ability to control

exists. There is the loyalty oath, the power to fire, and the statement by Mr. Freeman himself, on the RECORD, which was put in by the chairman of the committee only a minute ago, that if they will not support his program they have no business holding the office, in spite of the fact that the farmers say who shall be the ASC committeeman in the district. It is the farmers who should determine whom they want to service the programs which have been put on the books, but Mr. Freeman can fire them. He can require them to take a loyalty oath. And he says that they have no business being in office if they do not do what he says they should do.

That is the situation. We do not need to have some of these things spelled out. We do not need to have pictures in the papers to understand what the printing says. Anyone who knows how some of the bureaucratic operations of recent times have been conducted knows what it means.

Mr. President, I think my time has probably expired and that I cannot put into the RECORD a substantial number of questions and answers from the hearings, but I shall do so before consideration of this legislation proceeds much further. I invite attention to the fact that the Senator from Louisiana definitely clinched the fact that it is the deadline of the 21st of this month, next Tuesday, that is important as a means of influencing the wheat vote. I say we ought to consider the legislation in the best interests of the feed grain people, rather than be motivated by what influence passage of this particular bill may have in securing more "yes" votes and a controlled program which, if saddled on the wheat farmers, will be the forerunner of a program which will be designed to extend entire control over agriculture of this country. I say again, that is the basic objective of many of these programs.

I have the greatest respect for the integrity of the ASC committeemen throughout the country. I think they want to serve their friends and neighbors. That is why they are elected to that office. I have heard directly, and indirectly from those who do not want to sign their names because of possible reprisals, that many of them are fairly restless with the coercion being exerted upon them. They want to serve their local areas, and they do not want to be told what proposals from Washington a committeeman must or must not support. That is the issue before us.

Therefore, I hope the amendment prevails. The amendment sets out clearly what I thought the law already was; and the statement which the chairman of the committee read a while ago seemed to indicate that. However, I believe the law is being completely disregarded. I think this amendment would clinch it and make it doubly sure.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Louisiana has 3 minutes left.

Mr. ELLENDER. Mr. President, I repeat, first, that this amendment is not necessary, because it is covered by existing law.

I point out again that my good friend from Iowa, in trying to prove his case, cited quite a few instances. I should like to read from the RECORD of yesterday, at page 7985:

Senator EDMONDSON. This letter—

That was the letter being read by the distinguished Senator from Iowa, from a committeeman in Arizona—

This letter here that you referred to a minute ago of April 1963, from the Arizona ASC, rather than creating a prima facie case of coercion, I believe, almost proves conclusively that there is no coercion. In this the chairman of the Arizona ASC State Committee states this:

"It is our duty as employees and representatives of ASCS to provide the wheat farmer with factual information about this program. It is our obligation to him to insure that the vote he casts in this referendum ('yes' or 'no') is based on his own conclusions drawn from a thorough understanding of the issues involved.

"If he goes to the polls prepared to vote 'no' solely because he has been high-pressured into doing so, without being given a fair chance to form his own opinions and make up his own mind, we will have failed."

Senator PROXMIRE. Read the last paragraph.

Senator EDMONDSON (reading):

"We want the wheat farmer who casts his vote on May 21 to be a well-informed person, who will vote according to his own best judgment. This is our responsibility and our challenge."

Rather than create any impression of a prima facie case as to the Department of Agriculture, it is the contrary. I think it should be admitted into the record.

It was put in the record and it was the one used by my good friend from Iowa to prove his case.

As I said, no evidence was produced, that I know of, showing coercion, except a few letters that were exchanged by committeemen and others. But the Secretary of Agriculture said specifically that instructions from him were to the opposite. His instructions were that committeemen were to explain fully all of the facts of the bill—not to try to sway opinion—but to explain fully all of the facts. I think the record is replete with the instructions he issued. I think the record bears out the fact that there was no influence, no coercion, or anything else used to sway opinion.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Iowa has 3 minutes remaining.

Mr. HICKENLOOPER. Mr. President, I yield 1 minute to my colleague, the Senator from Iowa [Mr. MILLER].

Mr. MILLER. Mr. President, I hope the amendment will be supported. I think it is a shame that the facts are such as to require the offering of this amendment. But the facts are pretty clear.

I should like to make one point. Something has been said on the floor about factual information being presented to the farmers. I do not know what the phrase "factual information" includes, or is supposed to include, but I know it is supposed to include the admonition that if they do not vote for this program, Congress will do nothing to bring them a new wheat program.

That is not factual information. It is common knowledge that everyone, from the Secretary of Agriculture down to the ASCS offices, has put out this information. It is not factual. It is merely an attempt to whipsaw the farmers into accepting a program which offers them a very poor choice.

The PRESIDING OFFICER. The Senator's time has expired. The Senator from Iowa [Mr. HICKENLOOPER] has 2 minutes remaining.

Mr. AIKEN. Mr. President, I shall be glad to use the time, if the Senator from Iowa will yield it to me.

Mr. HICKENLOOPER. I yield the time to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. AIKEN. Mr. President, I made the inquiry, which has been referred to several times in the debate on this amendment, for the express purpose of getting the Secretary of Agriculture to admit that he has no business influencing the opinion or the recommendations of a county committeeman. County committeemen are elected by the farmers, and they have every right to represent the farmers of their county. But when the Secretary and his supporters say he has not attempted to influence or threaten them or to get a favorable vote on the wheat referendum, that is not true.

The Secretary addressed an organization of representatives of farmers for the express purpose of getting a favorable vote on the wheat referendum. I have seen documents sent out by this organization stating, "A 'no' vote means 72-cent wheat in Montana." That is one kind of lie, because the wheatgrowers of Montana, as well as the wheatgrowers of the Dakotas, have been getting more than the support price for wheat, and will continue to do so, because they grow the quality of wheat that is in demand.

I have put in the RECORD a circular mailed out by the million to wheatgrowers all over the country, stating plainly that if they vote "yes" they will get twice as much as they will if they vote "no." If that is not an effort to influence a vote, I do not know what it is.

The Secretary's statement that no attempt was made to influence a vote by the wheatgrowers does not hold water, because I have never seen such a drive as has been made to get a vote favorable to the administration.

Charley Brannan refused to do it, except in one instance, when he was caught.

Mr. HUMPHREY. Mr. President, the mechanics of administering any new farm program—and the provisions of the programs themselves—are not always easily grasped by farmers—especially when they are couched in legislative language.

One of the most important responsibilities of Agricultural Stabilization and Conservation Committees is to explain program provisions to their farmer neighbors. This year their job has been made more difficult by distortions, rumors and misinterpretations about the wheat program Congress authorized for

1964. The Congress has directed ASC committeemen to explain farm programs. On many occasions Congress has recognized this as a proper role of farmer elected committees.

In 1933, Congress merely authorized the Secretary of Agriculture to establish State and local associations of producers to help in the administration of farm programs. Since 1936, however, Congress has directed the Secretary to use local and State committees to administer farm programs—and has even established the procedure for annual election of these farmers by their neighbors. ASC community committeemen elect a county committee. The county agricultural extension agent in each county is an ex officio member of the county committee.

This year, one of the jobs of ASC committees is to make sure that before May 21—the date of the referendum on the 1964 wheat program—every farmer in the United States who grows wheat knows what the provisions of the 1964 wheat program are, and how he—as an individual farmer—will be affected by the outcome of the referendum. The committee does not tell farmers how to vote—but it does give them facts so they can vote intelligently.

Without the committee system, it is doubtful that new farm programs could be explained to farmers in the short period of time that usually elapses between the enactment of a farm program and a referendum date for new programs.

During World War II, it was the farmer committee system that took the lead in helping farmers understand the need for adjustment from price support and production control to the stimulation and guidance of production. After the war years it was the farmer committee system again that helped farmers shift toward production control of crops that were becoming too abundant.

The success of the 1962 wheat stabilization program was in large part due to the effective way in which ASC committees and their office staffs worked with farmers. The 1961 and 1962 feed grain programs were successful in reducing carryover stocks of feed grains from 85 million tons to 57 million tons. Millions of dollars of taxpayers' money is being saved through these programs.

The ASC farmer committees worked hard and well in explaining provisions of the feed grain program to farmers in 1961 and again in 1962. This year, the effort was not so great because it was not needed. Farmers who had participated in the program for 2 years understood and liked it—and many of them signed up to participate.

This administration has supported definite and extensive responsibilities of ASC committees in administering farm programs. Speaking to ASC committeemen in Omaha in 1961, Secretary Freeman said: " * * * farm programs must be your programs—not just Government programs—if they are really to work. I urge that all farmers take full advantage of the opportunities now open to them to choose men they want to put in places of responsibility in administering

and developing the farm program. Farmers elected by their neighbors are in the best position to apply national and commodity programs to local conditions and needs."

Mr. President, I heartily agree with Secretary Freeman with regard to the role of farmer committeemen. This is the most effective, the most equitable, and the most efficient way of keeping all farmers well informed on farm programs and policies. I commend the Secretary for his work in expanding the role of ASC committees, and I salute the farmer committeemen who serve on these committees for the fine work they are doing.

The PRESIDING OFFICER. All time for debate has expired. The question is on agreeing to the amendment offered by the Senator from Iowa [Mr. HICKENLOOPER] identified as No. 85. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN]. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Idaho [Mr. CHURCH], the Senator from Illinois [Mr. DOUGLAS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Michigan [Mr. McNAMARA], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], and the Senator from Rhode Island [Mr. PELL] are absent on official business.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Illinois [Mr. DOUGLAS], the Senator from Michigan [Mr. McNAMARA], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], and the Senator from Rhode Island [Mr. PELL] would each vote "nay."

On this vote, the Senator from Idaho [Mr. CHURCH] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Idaho would vote "nay," and the Senator from Colorado would vote "yea."

On this vote, the Senator from Tennessee [Mr. KEFAUVER] is paired with the Senator from Kentucky [Mr. MORTON]. If present and voting, the Senator from Tennessee would vote "nay," and the Senator from Kentucky would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Illinois [Mr. DIRKSEN], the Senator from New York [Mr. JAVITS], and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The pair of the Senator from Illinois [Mr. DIRKSEN] has been previously announced.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the

Senator from Idaho [Mr. CHURCH]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Idaho would vote "nay."

On this vote, the Senator from Kentucky [Mr. MORTON] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Kentucky would vote "yea," and the Senator from Tennessee would vote "nay."

If present and voting the Senator from New York [Mr. JAVITS] would vote "yea."

The result was announced—yeas 37, nays 50, as follows:

[No. 73 Leg.]

YEAS—37

| | | |
|-----------|---------------|----------------|
| Alken | Fong | Prouty |
| Beall | Goldwater | Robertson |
| Bennett | Hickenlooper | Russell |
| Boggs | Holland | Saltonstall |
| Brewster | Hruska | Scott |
| Byrd, Va. | Jordan, Idaho | Simpson |
| Carlson | Keating | Smith |
| Case | Kuchel | Stennis |
| Cooper | Lausche | Thurmond |
| Cotton | Mechem | Tower |
| Curtis | Miller | Williams, Del. |
| Dominick | Mundt | |
| Eastland | Pearson | |

NAYS—50

| | | |
|--------------|--------------|----------------|
| Bartlett | Hayden | Monroney |
| Bayh | Hill | Morse |
| Bible | Humphrey | Nelson |
| Burdick | Inouye | Neuberger |
| Byrd, W. Va. | Jackson | Pastore |
| Cannon | Johnston | Proxmire |
| Clark | Jordan, N.C. | Randolph |
| Dodd | Kennedy | Ribicoff |
| Edmondson | Long, La. | Smathers |
| Ellender | Long, Mo. | Sparkman |
| Engle | Magnuson | Symington |
| Ervin | McCarthy | Talmadge |
| Fulbright | McClellan | Williams, N.J. |
| Gore | McGee | Yarborough |
| Gruening | McGovern | Young, N. Dak. |
| Hart | McIntyre | Young, Ohio |
| Hartke | Metcalfe | |

NOT VOTING—13

| | | |
|----------|-----------|--------|
| Allott | Javits | Moss |
| Anderson | Kefauver | Muskie |
| Church | Mansfield | Pell |
| Dirksen | McNamara | |
| Douglas | Morton | |

So Mr. HICKENLOOPER's amendment was rejected.

Mr. ELLENDER. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SUBCOMMITTEE MEETINGS DURING SENATE SESSION

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the permanent Subcommittee on Investigations of the Committee on Government Operations be permitted to meet during the session of the Senate today.

Mr. KUCHEL. Mr. President, reserving the right to object, has that request been cleared with the minority leadership?

Mr. HUMPHREY. Yes.

Mr. President, I make the same request for the Subcommittee on Small Business of the Committee on Banking and Currency. This request also has been cleared.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEED GRAIN ACT OF 1963

The Senate resumed the consideration of the bill (H.R. 4997) to extend the feed grain program.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the limitation of time for debate on the pending business be laid aside for 30 minutes, and that the next 30 minutes be allowed for consideration of the conference report on the supplemental appropriation bill.

The PRESIDING OFFICER. Is there objection?

Mr. HRUSKA. Mr. President, reserving the right to object—

Mr. MILLER. I object.

Mr. MANSFIELD. Mr. President, what is the status of the pending bill?

The PRESIDING OFFICER. The bill is open to amendment.

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum.

Mr. MANSFIELD. Mr. President, the time for the quorum call will come out of the time of the other side.

Mr. KUCHEL. Mr. President, I renew my suggestion of the absence of a quorum.

The PRESIDING OFFICER. Who will yield time?

Mr. WILLIAMS of Delaware. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Delaware will state it.

Mr. WILLIAMS of Delaware. Under the unanimous-consent agreement, is there any time limitation on the bill?

The PRESIDING OFFICER. There is not.

Mr. WILLIAMS of Delaware. What is the pending business?

The PRESIDING OFFICER. The bill is open to amendment.

Mr. WILLIAMS of Delaware. In view of the fact that no amendment is pending, there is no limitation of time at the moment. Is my understanding correct?

Mr. HUMPHREY. Third reading.

Mr. PASTORE. Third reading.

Mr. HOLLAND. Mr. President, if Senators wish to play rough, they can get some rough play mighty quickly. The Senator from Iowa had to go to the telephone. He has other amendments to offer. I think he should be protected in that right. So far as I am concerned, insofar as I can do so, I shall see to it that he is protected in that right.

Mr. MANSFIELD. Mr. President, I must disagree with what the Senator from Florida has just now stated. There was no intention to engage in rough play. The Senator from Iowa is being fully protected; and he and all other Senators will always be protected on this floor. I hope that is understood.

Mr. HOLLAND. But I heard various Senators ask that the bill be read for a third time, and that was the reason for my comment. I do not think that was fairplay during the temporary absence of a Senator who has printed amendments at the desk. I say that, and I mean it; and no such horseplay will occur with my consent.

Mr. MANSFIELD. Mr. President, let me say that the word "horseplay" is

more appropriate. It has happened more than once in this Chamber; and I believe a little humor once in a while will be helpful to all of us.

Mr. MILLER. Mr. President—

Mr. MANSFIELD. I yield to the Senator from Iowa.

Mr. HUMPHREY. Mr. President—

Mr. MILLER. I yield.

Mr. HUMPHREY. Mr. President, what business is before the Senate?

The PRESIDING OFFICER. The bill is open to amendment.

Mr. MANSFIELD. Mr. President, I have the floor, have I not?

The PRESIDING OFFICER. The Senator is correct.

Mr. MILLER. Mr. President, will the majority leader yield to me?

Mr. MANSFIELD. I yield.

Mr. MILLER. The distinguished majority leader made a request, a moment ago, for unanimous consent. I offered an objection. I wish to withdraw that objection at this time; and I should like to have the majority leader know that I did not understand that this matter had been cleared with some of the leadership on my side of the aisle.

Mr. MANSFIELD. Yes, it was.

Mr. President, I renew my request for unanimous consent.

Mr. KUCHEL. Mr. President, reserving the right to object, first I suggest that we have the courtesy of a little silence, so I may ask my brethren on this side of the aisle whether there is any objection to setting aside half an hour for consideration of the conference report on the supplemental appropriation bill.

Mr. COTTON. Mr. President, reserving the right to object, and even though I objected earlier in the day, and even though I am increasingly indignant at the way this bill is being crammed through the Senate, I did not want to fail to cooperate with as fine a gentleman and one who has been as good to me as has the distinguished majority leader. A moment ago I agreed that I would not object. When I agree, I keep my agreement. But I regret that I did agree; and if I had not agreed and had not given him my word a moment ago, I would now object. From now on, Mr. President, I will object, until the bill is passed.

That is what Senators get for what occurred here a moment ago. But I promised, and I keep my promises.

Mr. MANSFIELD. Mr. President, I would permit the Senator to withdraw his promise, because in 3 days one amendment has been considered. If that is cramming and ramming, someone is proceeding under an illusion.

Mr. KUCHEL. Mr. President, reserving the right to object, I merely wish to say to my beloved Democratic brethren that they had better be thankful that they have an Irishman as their leader. [Laughter.]

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Montana? Without objection, it is so ordered.

SUPPLEMENTAL APPROPRIATION BILL, 1963—CONFERENCE REPORT

Mr. PASTORE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments to the Senate to the bill (H.R. 5517) making supplemental appropriations for the fiscal year ending June 30, 1963, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read, for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of May 13, 1963, pp. 7852-7853, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the report.

Mr. PASTORE. Mr. President, I have prepared an explanation of the report, and I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR PASTORE

For the information of the Senate, I shall briefly summarize the conference results. The total arrived at in conference is \$1,467,430,491. This is an increase of \$28,738,985 over the House-approved amount of \$1,438,691,506, and a decrease of \$21,253,350 from the Senate-approved total of \$1,488,683,841. The conference-approved amount is a reduction of \$184,869,965 from the total supplemental requests of \$1,652,300,456.

Among the more significant differences resolved either in the conference report or in the accompanying motions approved by the House are—

1. The provision of \$15 million for the shelter survey and stocking program for Civil Defense;

2. The acceptance of the Senate language providing for the availability of accelerated public works funds until January 31, 1964, and the inclusion of House language to require a financial contribution from State or local sources for any Federal project except projects dealing with preservation of forests in the jurisdiction of the Department of Agriculture and the Department of the Interior;

3. As recommended by the Senate, \$6 million for the Bureau of Reclamation for emergency construction of facilities in the Wellton-Mohawk Irrigation and Drainage District of Arizona for the alleviation of the salinity problem associated with the delivery of Colorado River water to Mexico;

4. The acceptance of the House version of the bill providing funds for trade adjustment activities of the Department of Commerce and the Department of Labor, \$25,000 and \$100,000, respectively.

Mr. PASTORE. Mr. President, I shall be happy to answer any questions which Senators may wish to ask.

I was hoping that the Senator from Arkansas [Mr. FULBRIGHT] would be in the Chamber at this time. I thought he was present when I made my motion. I shall ask the staff to get in touch with him.

In the meantime, I have before me, reduced to writing, a colloquy between the Senator from Washington [Mr. JACKSON] and myself in regard to the public works accelerated program and what will be the effect on certain Indian reservations, national parks, and national forests with respect to that program. I ask unanimous consent that the colloquy be printed at this point in the RECORD.

There being no objection, the colloquy was ordered to be printed in the RECORD, as follows:

COLLOQUY BETWEEN SENATOR JACKSON, CHAIRMAN OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, AND SENATOR PASTORE, CHAIRMAN OF THE APPROPRIATIONS SUBCOMMITTEE ON DEFICIENCIES AND SUPPLEMENTALS, ON THE PUBLIC WORKS ACCELERATION SECTION OF THE SUPPLEMENTAL APPROPRIATION BILL, 1963

Senator JACKSON. Is my understanding correct, Senator PASTORE, that the several Federal agencies administering forests may participate in this all-Federal public works program for the "preservation of forests?" I note the phrase "national parks, forests, and Indians" in the conference report's explanatory language (referring to amendment No. 13) which leads me to believe this.

Senator PASTORE. That is true, Senator JACKSON. Your understanding is quite correct.

Senator JACKSON. The "preservation of forests" requires, does it not, many related public works activities such as the construction of those facilities necessary for forests development and rehabilitation, including fish and wildlife preservation?

Senator PASTORE. You are quite right, Senator.

Senator JACKSON. Does the conference committee also intend that the agencies involved may undertake the development of facilities to assure proper use of the forests by visitors? More specifically, may campgrounds, day-use facilities, picnic areas, and related safety and sanitary facilities be constructed to prevent any kind of hazardous or unhealthy condition from arising through the use of these forests by the public? In this connection, the Multiple-Use Act of 1960, the National Park Act, and other legislation have made clear the intent of Congress that the forests are to serve many needs.

Senator PASTORE. Your understanding on this point is also quite consistent with the language of the conference report.

Senator JACKSON. Would it not then be accurate to conclude, Senator PASTORE, that essentially what the conferees mean by "preservation of forests" are those Federal public works activities that would preserve the many benefits of the U.S. forests for the Nation?

Senator PASTORE. That is certainly a fair summary. We also realize, Senator, that in many States, particularly but not exclusively in the West and South, Federal forests constitute a very important segment of the total area of these States. Since there is an enormous backlog of work in these forests, the scope of investment contemplated in the bill will not only create jobs for unskilled and semiskilled workers, but will also produce a profitable return to the Federal Government and to the Nation.

Mr. PASTORE. Mr. President, for the benefit of the RECORD, in reply to the question raised by several Senators in regard to the Indian reservations and national parks insofar as the conference report and the conferees are concerned, it is very clear that Indian reservations and national parks will be placed in the same category as national forests, which

come under the jurisdiction of the Department of the Interior and the Department of Agriculture, insofar as the accelerated public works program might affect any activities in those areas.

Mr. MANSFIELD. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield.

Mr. MANSFIELD. I thank the distinguished chairman of the subcommittee, and to assure him that my colleague [Mr. METCALF] and I deeply appreciate what he has said, because he has set forth the intent of Congress in connection with certain questions regarding our own State of Montana in which we are vitally interested.

Mr. PASTORE. Mr. President, on that very point I have a communication from the Senator from Montana, and I ask unanimous consent that it be printed in the RECORD at this point, because the answer I have given just now is in response to and in line with that communication.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SUPPLEMENTAL APPROPRIATIONS BILL—ACCELERATED PUBLIC WORKS PROGRAM

(Statement by Senator MANSFIELD)

The junior Senator from Montana, Mr. METCALF, several of our colleagues, and I are somewhat concerned about the language in the conference report on the supplemental appropriations bill prohibiting the use of accelerated public works funds for all-Federal projects except those dealing with preservation of forests. If my interpretation is correct this will be a major blow to some very important projects in the West.

I am particularly concerned about the effect this new language will have on Indian reservations. As I indicated to the Senate several days ago this program has been a great shot in the arm for many reservations. It has provided improved roads, developed timber stands, sanitation and community projects. All of these things are badly needed and in addition it has provided employment, an even more important consideration. The Indian reservations are recognized as a Federal responsibility and I feel that it is far more profitable to allocate funds to these areas in a constructive way rather than through welfare and subsistence payments.

I would like to ask the Senate conferees if Indian reservations will be eligible for accelerated public works funds for development of their forests and access roads? Will these reservations be eligible for accelerated public works funds for all Federal projects such as water and sewage facilities under the Public Health Service and construction of community centers?

Also, I would like to ask whether or not there will be a sufficiently broad interpretation of the "preservation of forests" clause to provide for forest development and road work in our national parks, on public lands, and on Indian reservations?

This restrictive language will mean the end of several development programs in our national parks. In Montana it will mean that a conservation project on the National Bison Range will be stopped, halfway to completion.

The Fish and Wildlife Service will not be able to continue its refuge maintenance and improvement work on the Lake Mason National Wildlife Refuge in Musselshell County. It is this last possibility which concerns my colleague, Senator METCALF, and me very much. This particular county has been hard hit because of depressed mining conditions.

The supplemental bill, 1963 (H.R. 5517)—Continued

| H. Doc. No. | Department or activity | Budget esti- mates | Bill | | Conference agreement |
|----------------|---|-----------------------|---------------|----------------|-------------------------|
| | | | House version | Senate version | |
| | TITLE II—Continued | | | | |
| | LEGISLATIVE BRANCH—Continued | | | | |
| 63 | GOVERNMENT PRINTING OFFICE—OFFICE OF SUPERINTENDENT OF DOCUMENTS | | | | |
| | Salaries and expenses..... | \$79,930 | \$75,930 | \$75,930 | \$75,930 |
| | Total, legislative branch, title II..... | 3,353,880 | 2,024,410 | 3,204,400 | 3,204,400 |
| 63 | POST OFFICE DEPARTMENT | | | | |
| | (Out of postal fund) | | | | |
| | Administration and regional operation (by transfer)..... | (3,871,000) | (3,677,450) | (3,677,450) | (3,677,450) |
| | Operations: | | | | |
| | Appropriation..... | 153,361,000 | 144,824,300 | 144,824,300 | 144,824,300 |
| | Transfer..... | (13,502,000) | (3,696,550) | (3,696,550) | (3,696,550) |
| | Total, Post Office Department, title II..... | 153,361,000 | 144,824,300 | 144,824,300 | 144,824,300 |
| | DEPARTMENT OF STATE | | | | |
| 63 | INTERNATIONAL COMMISSIONS—INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO | | | | |
| | Salaries and expenses..... | 23,000 | 21,850 | 21,850 | 21,850 |
| | Operation and maintenance..... | 23,000 | 21,850 | 21,850 | 21,850 |
| | Total, Department of State, title II..... | 46,000 | 43,700 | 43,700 | 43,700 |
| | TREASURY DEPARTMENT | | | | |
| | OFFICE OF THE SECRETARY | | | | |
| 63 | Salaries and expenses..... | 185,000 | 175,750 | 175,750 | 175,750 |
| 63 | BUREAU OF ACCOUNTS | | | | |
| | Salaries and expenses..... | 86,500 | 82,170 | 82,170 | 82,170 |
| 63 | BUREAU OF THE PUBLIC DEBT | | | | |
| | Administering the public debt..... | 575,000 | 546,250 | 546,250 | 546,250 |
| 63 | INTERNAL REVENUE SERVICE | | | | |
| | Salaries and expenses..... | 18,000,000 | 17,100,000 | 17,100,000 | 17,100,000 |
| 63 | BUREAU OF NARCOTICS | | | | |
| | Salaries and expenses..... | 197,000 | 187,150 | 187,150 | 187,150 |
| 63 | U.S. SECRET SERVICE | | | | |
| | Salaries and expenses, guard force..... | 15,000 | 14,250 | 14,250 | 14,250 |
| | Total, Treasury Department, title II..... | 19,058,500 | 18,105,570 | 18,105,570 | 18,105,570 |
| | DISTRICT OF COLUMBIA | | | | |
| | (Out of District of Columbia funds) | | | | |
| 63 | OPERATING EXPENSES | | | | |
| | Education..... | (2,375,100) | (2,256,350) | (2,256,350) | (2,256,350) |
| | Parks and recreation..... | (215,000) | (204,250) | (204,250) | (204,250) |
| | Highways and traffic..... | (132,600) | (126,970) | (126,970) | (126,970) |
| | Sanitary engineering..... | (331,600) | (315,020) | (289,738) | (289,738) |
| | Total, District of Columbia, title II..... | (3,054,300) | (2,901,590) | (2,786,113) | (2,786,113) |
| | Total, title II..... | 278,030,780 | 261,622,200 | 262,797,440 | 262,797,440 |
| | TITLE III—CLAIMS AND JUDGMENTS | | | | |
| | Claims and judgments..... | 20,567,545 | 16,993,400 | 20,567,545 | 20,567,545 |
| | TITLE IV—PHILIPPINE REHABILITATION ACT AMENDMENTS OF 1963 | | | | |
| | Philippine Rehabilitation Act Amendments of 1963..... | | | Language | |
| | Grand total..... | 1,652,300,436 | 1,438,691,506 | 1,488,683,841 | 1,467,430,491 |

Mr. MANSFIELD. Mr. President, have the motion and the conference report been agreed to?

The PRESIDING OFFICER. Yes.

Mr. PASTORE. Mr. President, I move that the vote by which the conference report was agreed to be reconsidered.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEATH OF FORMER SENATOR GEORGE MCGILL, OF KANSAS

Mr. CARLSON. Mr. President, it is my sad duty to announce to the Senate the death of a former Member of this body, Hon. George McGill, of Kansas.

His service in this body will be remembered by many Senators. It happened that I was a Member of the House of Representatives during a part of his service in the Senate. He was an able representative of our State and I enjoyed working with him. He served at a time that Kansas and the Nation encountered its agricultural depression. It was under his leadership that much farm legislation was initiated and passed.

It is interesting to note that he became the first Democrat to serve in the U.S. Senate from the State of Kansas. He served in the Senate from December 1, 1930, to January 2, 1939.

I ask unanimous consent that an article written by Staff Reporter Richard

P. Harland, of the Washington Post, be made a part of these remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EX-SENATOR GEORGE MCGILL, EARLY KANSAS
DEMOCRAT

(By Richard P. Harland)

George McGill will always be reverently remembered by his fellow Kansas Democrats. In 1930 he became the first of his party in that usually Republican State to be elected to the U.S. Senate.

In 1932 he wrote another chapter of Kansas political history by being reelected. With this achievement he became the first Kansas Democrat to be reelected to a major office.

Yesterday George McGill died in Wichita of a heart ailment.

A native of Lucas County, Iowa, Mr. McGill grew up in Kansas. In 1900 he received a bachelor of science degree from Central Normal College, Great Bend, Kans., and then spent the next 2 years studying law in a law office.

ADMITTED TO BAR

He was admitted to the Kansas bar in 1902 and 2 years later began practicing in Wichita.

His political career began in 1907 with the post of deputy county attorney for Sedgwick County, Kans. In 4 years he moved up to county attorney, and served in this position until 1915.

In 1924, Mr. McGill was the chairman of the Kansas Democratic State convention, and 4 years later was a delegate to the Democratic National Convention.

His first big moment in national politics came in 1930, when he defeated the Republican nominee, Henry Allen, in the race for the U.S. Senate. But as this election was only for the duration of an unexpired term, he had to run again in 1932.

In this election he won a full term but when he tried again he was defeated by Republican Clyde M. Reed, a former Governor.

BACKED NEW DEAL

While in the Senate, he was a loyal adherent of the New Deal. He served on the Senate Agriculture Committee, and it was in the field of agriculture that he made his most noteworthy contribution. In 1937 he was, along with the former Senator James P. Pope, Democrat, of Idaho, coauthor of the Pope-McGill bill, which established price supports on major farm products and set up a Federal crop insurance corporation.

In 1944 President Roosevelt appointed him to an unexpired term on the Federal Tariff Commission, and 4 years later, he was reappointed by President Truman to a full 6-year term.

He retired from the Commission in 1954 and went home to Wichita to continue practicing law.

Mr. McGill was a member of the Wichita Chamber of Commerce, the Masons, the Elks, and the Wichita Shrine.

He is survived by a daughter, Catherine Sheehan, of Alexandria, and a son, George, Jr., of Hutchinson, Kans.

Mr. PEARSON. Mr. President, I would like to join the senior Senator from Kansas today in paying respects to former Senator George McGill, of Kansas, who served our State most eminently during trying times. Senator McGill has left a distinguished mark in the history of our State and his passing will leave a gap in the ranks of great statesmen in this Nation. A prominent attorney, Senator McGill had a background of farm life until he commenced his education in Barton County, Kans., in 1884. The Senator moved to Wichita in 1904 where he entered the practice of law. In conjunction with his law profession, Senator McGill was active in the political life of the community and served as deputy county attorney and county attorney for 4 years. In 1924 he was the chairman of the State Democratic convention and in 1928 was a delegate to the Democratic National Convention. Senator McGill first represented our State in Washington when he was elected in 1930 following the resignation of Charles Curtis. He was reelected in 1932 and served the interests of Kansas until 1939. He became a member of the U.S. Tariff Commission in 1944 and remained with that agency until his resignation in 1954. He had, until his death, continued active in

State functions, and was active in the practice of law. Mr. President, I am indeed saddened by the loss of this fine Kansan, and join others in paying tribute to Senator George McGill.

SHOWING OF FILM OF FOREIGN FISHING FLEETS OFF NORTH ATLANTIC COAST

Mr. BARTLETT. Mr. President, yesterday afternoon, in making an announcement on the floor of the Senate, I lost 24 hours. I said at that time that, due to the kindness of the Senator from Massachusetts [Mr. KENNEDY], that a film would be shown in the auditorium of the New Senate Office Building at 11 o'clock this morning, showing foreign fishing fleets off the north Atlantic coast, particularly Russian fishing vessels.

My announcement should have said that the film will be shown at 11 o'clock Thursday morning; that is tomorrow morning. To this showing the Members of the Senate, their staff, and attachés of the Senate are invited.

FEED GRAIN ACT OF 1963

The Senate resumed the consideration of the bill (H.R. 4997) to extend the feed grain program.

Mr. AIKEN. On behalf of the Senators from New Hampshire [Messrs. COTTON and McINTYRE], the Senators from Maine [Mrs. SMITH and Mr. MUSKIE], the Senator from Vermont [Mr. PROUTY], the Senator from New York [Mr. KEATING], and myself, I call up amendment No. 88, and ask that it be considered at this time.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. At the appropriate place in the bill it is proposed to insert the following:

In section 3 at the end of subparagraph (h) (5) insert new language as follows: "Notwithstanding any other provision of law the differentials in feed grain prices that have existed historically between various geographic areas shall be observed by the Commodity Credit Corporation in the valuation of any feed grains released under the authority of this Act."

Mr. HICKENLOOPER. Mr. President, I suggest the absence of a quorum.

Mr. AIKEN. I yield to the Senator for that purpose. The quorum call is merely to alert Members of the Senate to the fact that the amendment is under consideration. Shortly I will ask that the request be withdrawn.

Mr. HICKENLOOPER. Yes; I merely wish to alert Senators that the amendment is under consideration. It is a vital amendment to areas which are remote from the feed grain producing areas. The request will shortly be withdrawn.

Mr. HUMPHREY. Mr. President, to whose time will the quorum call be charged?

The PRESIDING OFFICER. Under the agreement, the Chair will charge the time for the quorum call to the time controlled by the Senator from Vermont on the amendment. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HICKENLOOPER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. AIKEN. Mr. President, I yield myself 10 minutes of my time on the amendment. I do not expect to take very long. The purpose of the amendment is to prevent the Commodity Credit Corporation from discriminating against any area of the country in the sale or delivery of feed grains. This discrimination could be in the form of price or in the form of invoking section 22 of the Interstate Commerce Act, which results in a decrease in transportation costs to certain areas of the country. The amendment is sponsored by the Northeast Poultry Association. The amendment is prompted by the fact that in January the Department of Agriculture invoked section 22 of the ICC Act, under which feed grain owned by the Federal Government could be delivered to 12 States in the Southeast at a considerably lower rate than it could be delivered to other parts of the country, the so-called deficit areas of the country, including most of the Northeast. I believe that the Rocky Mountain States would be classed as deficit areas, and probably the Pacific Coast as well. This resulted in giving poultry and livestock growers in certain States an advantage of about 18 cents a bushel in the price of Government-owned feed. Naturally, the feeders in the Northeast, particularly poultry growers, found themselves at a serious disadvantage. The amendment is the result of what has happened to them.

I do not know why the Department of Agriculture selected the 12 States they did to which to give these special rates, because certainly some of them, like Kentucky and probably Tennessee and several other States, would not get a material advantage. However, some of them would.

As I see the situation, some of these States, particularly Georgia and Alabama, had been enjoying a very large poultry export market to Germany, and possibly to other countries in Europe. At about the same time that the Department of Agriculture gave them special advantages in the price of grain, which were brought about by the reduction of freight rates, they found themselves being shut out from the European markets for their poultry.

It looks very much as if the Department felt that if they could get a lower price for the Government feed delivered in certain areas of the country, those people would not complain so much about the loss of the European market.

Under the law which was enacted last fall, the President has full authority to handle the European situation. Under the Williams amendment he can retaliate against the countries which shut out our poultry products. So far he has not undertaken to do so. We hope that he will bring about an effective arrangement with Germany and other countries. Nevertheless, while lower grain prices

might appease certain States, they do not help other States in the Northeast, which find themselves at a disadvantage. There is no use saying that a broiler produced in Maine costs more than a broiler produced in some of the Southern States, because Maine raises them to a considerably heavier weight. However, the South has produced for the export market, and it has lost that market. The Department has, in effect, said to southern producers, "We will see to it that you get lower grain prices." If I were a chicken grower in the South, I would much rather retain my good market overseas than to get a sop in the form of a reduction of perhaps 15 or 18 cents in the price of corn and other Commodity Credit Corporation-owned grain.

We are not asking for an increase in the cost of production in the Southern States. We are asking only for an equalization of the costs of Government-owned grain when sold in any of the deficit areas.

We who have sponsored the amendment come from an area which perhaps has the greatest deficit. The farmers of Vermont import more than 90 percent of the grain which they use. That is probably true of Maine and New Hampshire. The farmers of New York produce about 27 percent of the feed which they use for poultry and livestock.

We are asking only for fair play. I cannot understand why the Department of Agriculture should object in any way to the amendment. The adoption of the amendment would make our poultry, dairy, and livestock feeders feel that they were being treated much more fairly.

Mr. COTTON. Mr. President, will the Senator from Vermont yield half a minute?

Mr. AIKEN. Mr. President, I yield as much time as the Senator from New Hampshire desires, up to 5 minutes.

Mr. COTTON. I commend the distinguished Senator from Vermont for offering the amendment. As usual, he is on the job to protect and to do everything in his power to secure fair play for the farmers of New England and the Northeast section of the country. I am very glad to have the opportunity to be associated with him as a cosponsor of the amendment.

However, I wish to make one thing crystal clear. The amendment should be adopted in the interest of fair play. It ought to be adopted, and I hope it will be adopted. Nevertheless, while it would help, it would not remedy the situation which we must confront; namely, that the passage of the feed grain bill, even with the amendment, would be destructive to the dairy and poultry industry of northern New England—certainly of the State I represent, in part.

While I hope the amendment will be adopted, because it would make the situation less dangerous and destructive to us, it would not cure the situation. No one in our section of the country who has an interest in agriculture should be satisfied with the bill, even with the amendment of the Senator from Vermont included. All we can do to protect our people will be to vote "nay" on the passage of the feed grain bill.

Mr. AIKEN. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Vermont has 22 minutes remaining.

Mr. KEATING. Mr. President, will the Senator from Vermont yield me 1 minute?

Mr. AIKEN. I yield 2 minutes to the Senator from New York.

Mr. KEATING. Mr. President, I express my commendation and gratitude to the distinguished Senator from Vermont for the leadership he has taken in offering the amendment. I agree entirely with the Senator from New Hampshire that the bill, even if the amendment were adopted, would be a devastating blow to the poultry and dairy farmers of the State of New York and of the northeastern area of the country. Nevertheless, the adoption of the amendment would help somewhat and would prevent a discriminatory practice which enables 12 States of the Southeast to receive a special price on grain. Those States have been able to purchase feed grain at large savings below the price of feed grain that is sold in the Northeast.

New York State has a definite deficit in wheat growing and feed grain growing. As a result, the farmers of New York would be unjustly forced by the bill to pay higher feed grain prices. That would happen whether the amendment were adopted or not. But the discriminatory feature would add insult to injury. Therefore, I hope that the amendment will be adopted.

I am grateful to the distinguished Senator from Vermont for trying to protect the interests of the dairy and poultry farmers in the entire northeastern area of the country, where New York, Vermont, New Hampshire, and other States have a great community interest.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield up to 5 minutes to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I support the amendment of the Senator from Vermont. In the interest of fairplay, there is no reason why the amendment should not be adopted. I speak as a Senator who represents one of the 12 States which at the moment have the benefit of cheap feed. But I also know what it means not to be included in the group. The raising of poultry is a competitive business.

When the Department of Agriculture moves into any region, whether it be the Southeast, the East, or the Northeast, and starts to subsidize that region with feed cheaper than that being sold in competitive areas the other areas are at a disadvantage.

Such a practice was never intended as a part of the powers of the Department of Agriculture. If it is not stopped, we will be giving the Secretary of Agriculture the power to make political payoffs from the Federal Treasury to areas which support his program or to buy the support of the farmers or the support

of their representatives in Congress in order to have their areas included.

The duty of the Secretary of Agriculture is to administer the law and not to go around conducting political campaigns or using the taxpayers' money to curry favor in anyone area.

I believe the amendment should be adopted. If it is not adopted and the discrimination of having a cheaper selling price to one area is allowed to exist, the poultry industry in competitive areas which do not get the benefit of the benevolence of an all powerful Government will be destroyed.

Mr. AIKEN. I thank the Senator from Delaware. He comes from one of the most intensive poultry-producing States in the Union. I am satisfied that the producers of Delaware would much rather retain their markets overseas, as they could do under the Williams amendment, if the President would only act under it, than to get a few cents differential in the price of feed. I thank him very much for his remarks.

Mr. HICKENLOOPER. Mr. President, will the Senator yield a minute or two to me?

Mr. AIKEN. I yield up to 5 minutes to the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, the amendment appears to me to be an equitable amendment. I have known about it before. Its purpose has been discussed repeatedly.

Certainly, inequitable pricing has existed from time to time with respect to the cost of feed grains in one section of the country and the cost in other sections of the country, resulting in manipulation by the Department of Agriculture under its discretionary power. While the amendment may seem to be not too important an item, it indicates what the result of unlimited discretion being placed in the Department of Agriculture could be. Unlimited discretion means action at the whim or caprice of one individual, for whatever purpose he might use the discretion in certain circumstances.

For instance, the Secretary of Agriculture, in his discretion, has disposed of corn that was going out of condition. A provision has been wisely included in the law that corn which is going out of condition may be disposed of at a price lower than that paid for good corn. But the interesting thing is that last year—and I have many statistics on this point—there was disposal of corn going out of condition—supposedly bad corn, corn which was deteriorating—but when the central markets were checked, markets where that corn was delivered under the discretionary order of the Secretary, it was found that a large amount of it—well over one-half; I think 70 or 80 percent—was graded No. 2 corn when it reached the central market. But it was sold under the distress provisions and at a low price.

The discretion of the Secretary was used to try to get rid of some of the surplus without really following the spirit and intention of the law. Discretion was used to call that corn distress corn, when actually it was high grade corn. It was sold at a low price, and the Government

had to foot the bill to pay the difference. This sometimes happens when too much discretion is allowed.

A little later, I shall have something to say about the provision in the bill which would insure the lodging of discretion in the Secretary. But such discretion, if an official were so minded, could be used for ulterior purposes of one kind or another, political or otherwise; and on occasion such discretion has been so used.

In connection with this bill, I think various sections of the country should be treated equitably, fairly, and alike; I do not believe there should be an arbitrary decrease in the price to one section or an arbitrary increase in the price to another section. Manifestly, prices in all sections of the country cannot be the same, from the standpoint of the ultimate consumer—because of certain distances to be traveled and because of handling, and so forth. But when an artificially rigged price is set, under the discretion of the Secretary of Agriculture, to favor one section of the country over another section, that is an inequity which should be corrected. I believe the amendment of the Senator from Vermont is an approach to that problem, which is well realized in the sections of the country where the farmers feel there is a preference against those in certain counties, in connection with the pricing of surplus grain or the grain being sold under the conditions referred to in the amendment of the Senator from Vermont. So I thank the Senator from Vermont.

Mr. AIKEN. I thank the Senator from Iowa.

Mr. President, how much time remains available to me?

The PRESIDING OFFICER. Thirteen minutes.

Mr. AIKEN. Mr. President, I reserve the remainder of the time available to me.

On the question of agreeing to this amendment, I wish to ask for the yeas and nays.

Mr. ELLENDER. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 10 minutes.

Mr. ELLENDER. Mr. President, this amendment was not considered by the committee when it had the bill before it for action.

I point out to Senators that in fixing the support price, the Secretary of Agriculture takes into consideration the location of the area where the feed grain is produced. The support price in Iowa, let us say, would be different from the support price in the Northeast, because of the fact that the Northeast is a deficit area; and in fixing the support price for the Northeast—because it is a deficit area—that price would necessarily be higher than the support price in Iowa would be. So the factors which the Secretary of Agriculture would have to take into consideration, in my opinion, in order to attain the goal envisioned by the Senator from Vermont have already been taken into consideration in fixing the support price.

Thus, it seems to me that under the law as it now stands, the Secretary of Agriculture is bound to follow a rule whereby the support price in deficit areas is higher than the support price in areas in which grain is produced in abundance.

As I have said, in setting that price—although I have never discussed the matter with the Secretary of Agriculture—I presume that he takes into consideration various factors, such as freight rates, and things of that kind.

Mr. President, in my opinion this amendment would impose an unacceptable administrative responsibility on the Secretary of Agriculture. It is indefinite in its historical guideline. It is unrealistic in requiring unqualified observance of past interarea price relationships, in view of the fact that differentials can be affected by factors wholly unrelated to the feed grain program.

For example, in the transportation field there are current developments which are resulting, or in the future may result, in significant changes in area-to-area feed grain costs. Under this amendment, feed users in an area where the inbetween costs have been reduced for one reason or another presumably would not be able to get CCC feed grains at the same price at which those in other areas could get it.

This amendment does not include taking into account interarea differences in prices of the end products of feed grain, such as class I milk and poultry.

Although it is understood that the purpose of this amendment primarily is to shield feed users in deficit areas from competitive disadvantages of presumed feed grain sales in production areas, it could also have the effect of keeping local feed grain prices in deficit areas higher than otherwise would be the case.

The offering of this amendment implies that the Department of Agriculture has been disregarding of the normal interregional price relationships in its feed grain sales under the feed grain programs to date. This is not the case. As has been explained to Members of Congress and others on numerous occasions, the Department has endeavored to conduct its sales operations with the use of feed grain payment-in-kind certificates in a manner which would avoid upsetting normal competitive relationships among regions.

The Department has been constantly on the lookout for distortions in these relationships which appear attributable to the feed grain program. Distortions did appear for a time in 1961–62 in the Pacific Northwest and the Southeast; and remedial action was taken, in the form of sales at adjusted delivered f.o.b. prices. Similar sales on a limited scale have been taking place in localized sections of the Southeast since early January this year, but are now phasing out.

Unfortunately, the Department's position in this matter has been obscured at times by rather normal variations in price levels, which have been mistaken for differential changes, and by local effects of such nonprogram factors as abnormal weather.

I submit that this amendment has no place in this legislation, and should be rejected.

The proposed legislation would prohibit the Commodity Credit Corporation from valuing feed grains delivered as payments in kind at less than the current value, plus reasonable carrying charges. This provision relates to the loan value at the place of sale or delivery, and therefore the Commodity Credit Corporation cannot deliver grain at less than the loan value at the place of delivery. Under section 403 of the 1949 act, the loan value at any point takes into consideration appropriate location differentials.

The amendment adds nothing to the existing law or to the bill; and, as I have just now stated, the amendment is not necessary.

Mr. MANSFIELD. Mr. President, will the Senator from Louisiana yield 3 minutes to me, for the purpose of the suggestion of the absence of a quorum?

Mr. ELLENDER. I do.

Mr. MANSFIELD. Then, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, on the amendment of the Senator from Vermont I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. AIKEN. Mr. President, before the Senate votes on the amendment, and before the remainder of our time is yielded back, I wish to yield to the senior Senator from Connecticut [Mr. Dodd] 1 minute.

Mr. DODD. Mr. President, I am grateful to the distinguished Senator from Vermont.

The Aiken amendment would make sure that the Commodity Credit Corporation could not discriminate against any area of the country, either in the prices it would charge on feed grains that it releases or by using section 22 of the Interstate Commerce Act, by allowing lower shipping rates on feed grains shipped to a particular area.

I believe that is a correct interpretation of the amendment.

My colleague the Senator from Connecticut [Mr. Ribicoff] and I have been greatly interested in the problem as it relates to our State. I wrote to the Secretary of Agriculture about this matter at the request of the Connecticut Commissioner of Agriculture. In my letter I referred to an analysis prepared by Dr. Stanley Seaver, Department of Agricultural Economics, University of Connecticut, which clearly reveals the problem facing Connecticut poultry and egg producers. In that letter I said:

MAY 13, 1963.

HON. ORVILLE FREEMAN,
Secretary of Agriculture,
Department of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: Some months ago, on January 21, 1963, I communicated with you regarding the economic impact that the CCC Southeast feed grain program was having on Connecticut poultry raisers.

The reply to my telegram signed by Assistant Secretary John P. Duncan, stated among other points that; "In the event distortions clearly related to the feed grain program do develop in any other area, the Department within the limits of its authority will take appropriate remedial action."

I am firmly convinced that remedial action is overdue and my convictions are strengthened by the analysis of the situation sent to you by Commissioner of Agriculture Joseph N. Gill, of Connecticut, on April 19, 1963.

The analysis which accompanied Commissioner Gill's letter is brief, concise, and to the point and the obvious inequities caused by the CCC Southeast feed grain program is best illustrated by these paragraphs of the study:

"Connecticut farmers are paying full freight rates but corn is now being supplied to points in the Southeastern States by the Commodity Credit Corporation at prices ranging from 25 cents to \$3.27 per ton below the prices which would be in effect if farmers were paying the full freight rates.

"Connecticut farmers, especially poultry producers, compete directly with broiler growers and egg producers in the South. By making corn available to these Southern areas at reduced freight rates, while New England's freight rates remain constant, the USDA is, in effect, putting New England farmers at a further competitive disadvantage."

I most strongly urge immediate action by your Department to prevent further inequities which place Connecticut poultry and egg raisers in an unfair and untenable position.

With best wishes.

Sincerely yours,

THOMAS J. DODD.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. RIBICOFF. As the Senator has said, New England has been discriminated against in respect to various freight rates. I have been at a loss to understand why the Department of Agriculture discriminates against the New England States. New England farmers are located in high-cost areas. Their land is of high value. They pay high taxes. Their wages are high. Yet it is difficult for me to know and understand why the Department of Agriculture does not give the same consideration in freight rates to the New England area as it does to the Southeast. Is there any explanation that the Senator has received for that differential?

Mr. DODD. None at all. As my colleague knows, I have tried to obtain such an answer. I have never been able to get a satisfactory one. All I know is that I and my colleague are besieged by poultry raisers in Connecticut. They are very much upset about the situation. They are being discriminated against. They simply cannot compete.

Mr. RIBICOFF. It would seem to me the Secretary by administrative ruling could have straightened the question out. If that were done, the amendment offered by the distinguished Senator from Vermont would have been unnecessary.

Mr. DODD. Yes. I quite agree that that is exactly correct.

Mr. ELLENDER. Mr. President, will the Senator yield to me on my time?

Mr. AIKEN. I yield.

Mr. ELLENDER. I should like to point out to the Senators from Connecticut

that under section 403 "appropriate adjustments may be made in the support price for any commodity for differences in grade, type, staple, quality, location, and other factors" in this feed grain program.

In other words, under the law the Secretary is authorized to provide different price supports, depending upon where the grain is produced, in cases where there is a deficit area. The Secretary can do that administratively. That is in the law now. He can do the very same thing the Senator from Vermont [Mr. AIKEN] seeks to do.

Mr. RIBICOFF. This is what is so disturbing, I say to the chairman of the committee. While the Secretary can do so, he has failed to do so year in and year out, to the decided disadvantage of the farmers of the New England States, who, heaven knows, work hard enough and have difficult enough problems with respect to being on a par with poultry producers in the remainder of the country.

We seek no special advantage for New England. We are concerned about the disadvantage the farmers of the New England States have constantly suffered, which could have been straightened out if the Secretary of Agriculture had given the same treatment to New England as he has given to other sections of the country. I have urged the Secretary of Agriculture to do so and shall continue to press him on this point. I have called him but he has been in South America. He is expected back this afternoon and I trust he will return my call before the vote is taken.

Mr. AIKEN. Mr. President, will the Senator yield to me on my time?

Mr. DODD. I yield.

Mr. AIKEN. I do not give quite the same interpretation to the law as that given by the Senator from Louisiana.

In making a sale the Commodity Credit Corporation is guided either by the support level or the going market price in that area. While there is a minimum below which they cannot sell, there is no maximum.

As to why preference was given to certain States in the matter of the freight rates—which made a differential of something like 18 cents a bushel in the cost of feed—I believe that this preference in respect to transportation was given at about the time Germany announced a shutdown on exports. Three or four of the States were very heavily dependent on the European export market. I expect that may have been offered by way of compensation. As I said before, I am sure the producers would prefer to keep their markets, rather than to receive a preference in the price of corn.

Mr. RIBICOFF. Mr. President, I should like to ask a question of the distinguished Senator from Vermont, who is so familiar with the field and so knowledgeable in respect to it. Are the New England poultry raisers at a present disadvantage in being able to market their crop because of this differential?

Mr. AIKEN. I submitted this amendment at their request night before last. The Northeast poultry growers asked for this amendment. Dairy producers will

also be affected, but, of course, they operate under marketing orders. The cost of feed enters into the fixing of the price of milk which they sell.

However, this is the poultry growers' amendment.

Mr. DODD. Mr. President, we are faced with a situation in which we cannot obtain administrative relief and are being discriminated against. It seems to me the amendment is the answer for us.

Mr. AIKEN. I think this would be an excellent guideline for the Secretary to use.

Mr. DODD. I thank the Senator from Vermont.

The PRESIDING OFFICER. Who yields time?

Mr. HUMPHREY. Mr. President, will the Senator yield to me?

Mr. ELLENDER. Mr. President, I yield 3 minutes to the distinguished Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota may proceed for 3 minutes.

Mr. HUMPHREY. Mr. President, this particular amendment is a matter of concern to me. I have been concerned about some of the operations conducted by the Commodity Credit Corporation, and because of my concern I have spoken to the Secretary of Agriculture and to the people of the Commodity Credit Corporation about the problem.

I understand the Secretary has written a letter to the distinguished Senators from Connecticut, which is on its way. The Senators have inquired about this problem.

I asked the Secretary some time ago for a statement which would be somewhat helpful in explaining exactly what the Department is doing concerning the problem underlined by the amendment. The Secretary said, in his statement:

The 1963 feed grain program and the pending legislation for a similar program in 1964 and 1965—

That is, the bill before the Senate—

Mr. RIBICOFF. Mr. President, will the Senator yield to me?

Mr. HUMPHREY. I yield.

Mr. RIBICOFF. I have been informed that the Secretary of Agriculture in returning my call to him. There is supposed to be a letter on its way, to straighten out this situation. I do not know whether the amendment is ready to go to a vote or not, but I intend to step out of the Chamber and take the call of the Secretary of Agriculture who has just returned from South America.

So far as I am personally concerned, if this problem can be straightened out administratively there is no need for the legislation, but the Secretary has the administrative power, and I think he should exercise it. If he would so exercise it, I would certainly vote against the amendment. However, if the Secretary fails to exercise it, we shall have no alternative but to vote for the amendment offered by the distinguished Senator from Vermont.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ELLENDER. I give the Senator assurance that the Secretary of Agri-

culture does have authority to act administratively.

The **PRESIDING OFFICER**. The time yielded to the Senator from Minnesota has expired. Does the Senator from Louisiana yield more time?

Mr. **ELLENDER**. I yield the Senator 3 more minutes.

The **PRESIDING OFFICER**. The Senator from Minnesota may proceed for 3 more minutes.

Mr. **HUMPHREY**. Mr. President, as I was indicating previously, the Secretary has told me:

The 1963 feed grain program and the pending legislation for a similar program in 1964 and 1965 differ in the basic concept from that which was in effect for 1961 and is currently in effect for 1962. Under these earlier programs, the Department of Agriculture was charged with the responsibility for marketing feed grain certificates as requested by producers, so as to insure that the benefits of the program accrued to the cooperating producers. This has been a most difficult provision of law to administer, and we recognize that many problems have been created by it. This was also recognized by Congress and was at least partially the reason for modifying the 1963 feed grain program as part of the Agricultural Act of 1962. In this 1963 program, and again in the program for 1964 and 1965, as indicated in H.R. 4997, the cooperating producers are assured benefits of the program through the use of a payment in kind, thereby eliminating the need for a so-called sellback provision.

It was the sellback provision which precipitated the problem, because under the sellback provision there were certain discrepancies in price structure as the program was administered by the Commodity Credit Corporation.

In fact, the law is specific that the Department of Agriculture under the 1963 program, and again under the pending legislation, for 1964 and 1965 cannot market grain represented by certificates at less than the loan level.

The chairman of the committee explained that the loan level takes into consideration the differentials, and has read the provision of the law relating to the loan level.

The 1963 act, as well as the language contained in H.R. 4997, is specific in requiring the Secretary to value feed grains at not less than the current loan level. Since the Secretary is required by law to take into account the historical price relationships of feed grains in establishing the loan level, it is clear that this limitation would also apply to the valuation of feed grains sold under this payment-in-kind authority contained in this act and in the pending legislation. Thus, since this is covered in existing law, there is obviously no need for further amendments.

This new concept which will become effective beginning with the 1963 marketing year and will apply to 1964 and 1965, assuming the pending legislation is enacted, will eliminate many of the administrative problems, as well as great difficulty in maintaining historical price relationship as between States and regional areas. The Department in administering the 1963 and subsequent programs will take every possible step to value feed grains released under the limited authority in the act so as to maintain the historical price differential as between various geographical areas.

The **PRESIDING OFFICER**. The time of the Senator from Minnesota has again expired.

Mr. **HUMPHREY**. May I have 1 more minute?

Mr. **ELLENDER**. I yield 1 additional minute to the Senator from Minnesota.

The **PRESIDING OFFICER**. The Senator from Minnesota may proceed for 1 additional minute.

Mr. **HUMPHREY**. Mr. President, as the distinguished chairman of the committee has outlined, the present law gives authority to the Secretary to administer the law so as to take in to consideration the historical geographic price differentials, so there is no need for any amendment.

The amendment would only further confuse the law. The law already is sufficient to empower the Secretary to act in terms of historical price relationships in geographic areas.

Mr. **AIKEN**. Mr. President, I yield myself 2 minutes.

The **PRESIDING OFFICER**. The Senator from Vermont may proceed for 2 minutes.

Mr. **AIKEN**. I am very much interested in the answer that the Secretary has had an opportunity, under the law, to equalize conditions for the sale of Government-owned feed in different areas. I do not blame the Senator from Minnesota for trying to retain the advantages they have had.

For example, Connecticut dairy producers pay \$4.05 per 100 pounds of dairy feed. Minnesota dairy producers pay \$3.20, a difference of about 25 percent.

On poultry, Connecticut producers pay \$4.05 per 100 pounds for poultry rations. Minnesota producers pay \$3.02, also a differential of 25 percent.

There is a differential as between the different States. There is an advantage to the Midwest, because they produce it. Nevertheless, there is no excuse for the Secretary making a difference in price, under similar conditions, for States that have a similar degree of deficit production.

This amendment is intended to be a gentle persuader to impress on him the fact that up in New England, New York, in the Rocky Mountain States, and on the Pacific coast, we also feel we are entitled to the same privileges.

We are not trying to raise the price of Government-owned feed to the southeast producers. We merely want equitable treatment with them; and we are probably a greater deficit area than the South, outside of Florida.

Mr. **ELLENDER**. Mr. President, will the Senator yield, on my time?

Mr. **AIKEN**. I yield.

Mr. **ELLENDER**. The Senator's amendment would preserve the very thing he is talking about—the differentials that exist—because feed is produced in Minnesota, and the price would be different in contrast to what it would be in Vermont or New Hampshire. The amendment reads:

Notwithstanding any other provision of law the differentials in feed grain prices that have existed historically between various geographic areas—

And so forth. What has existed will still exist. Therefore, that is not disturbed.

Mr. **AIKEN**. The Senator will recall that my interpretation of the purpose of the amendment is to keep the situation in line by any means whatsoever, including transportation costs. The Secretary can charge up to the going market price in any area of the country. He does have a minimum; he cannot go below the support price.

Mr. **HUMPHREY**. That is correct. The law states that.

Mr. **AIKEN**. Or he can charge the market price.

Mr. **HUMPHREY**. He can charge the current loan price under the act of 1962.

Mr. **AIKEN**. He could charge \$1.65 in New England, and he could sell it in Minnesota for \$1.25.

Mr. **HUMPHREY**. The Senator from Vermont is an expert in this field, and he knows full well that I was the one who was complaining the loudest about the use of section 22 of the Interstate Commerce Act, under the special provision relating to transportation. That was corrected in the legislation last year. So the historical price relationships embodied in the act of 1962 have been clarified. This differential cannot be made by some kind of discretionary use of power on the part of the Secretary of Agriculture to favor a certain geographical area. In other words, the transportation and other costs must be considered in the prices that are charged.

Mr. **AIKEN**. Does not the Senator from Minnesota think, however, that it would be far better for the administration to protect the exports of the poultry producers of Arkansas, Alabama, Georgia, and other States rather than offer them the support price and a lower cost on feed grains, when they cannot market their poultry?

Mr. **HUMPHREY**. I do. There is no more vigorous exponent of the protection of the export markets than the Secretary of Agriculture. The Secretary went to Paris and spoke out in such clear and explicit terms that everybody knows he meant it. But he needs the support of Congress. Secretary Freeman, if he has done any one thing, has done that job well. He is a fighter for the protection of export markets.

Mr. **AIKEN**. Mr. President, I have 1 minute left, and I yield it to the Senator from Iowa.

Mr. **MILLER**. Mr. President, the Senator from Minnesota has said that since the act of 1962 this problem has been taken care of. That may have been the intention, but I do not think it has been taken care of, because since the act of 1962 there has been a problem affecting the Mid West. In the case of the Chicago market, the Secretary has computed the cost of transportation of grain into the Southeast, as I recall, at 25 cents a bushel. In some cases this has been fair. In other cases it has not been. Where not, we have had a discriminatory situation. I believe the amendment of the Senator from Vermont would take care of that situation.

I am not saying that the Secretary is not trying to do a good job. I say he is going about it the wrong way when he says he will use the average, and we are told the average will operate equitably, in general. We are not concerned about the general situation, but rather with the exceptions which feel the force of inequity. That is the purpose of the amendment of the Senator from Vermont.

Mr. HUMPHREY. The language of the amendment does not refer to transportation. We took care of that problem last year in the act and by the exchange of letters which the Senator from Minnesota placed in the RECORD and has asked the Secretary to abide by. The language of the amendment of the Senator from Vermont refers to the historical differentials in feed grain prices in the various geographic areas, and says that they shall be observed by the Commodity Credit Corporation.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HUMPHREY. Mr. President, I yield 1 more minute to the Senator from Iowa.

Mr. MILLER. The Senator from Vermont has already said this means not only the base price of the commodity but also the transportation cost.

Mr. HUMPHREY. The language of the amendment states:

Notwithstanding any other provision of law the differentials in feed grain prices that have existed historically between various geographic areas shall be observed by the Commodity Credit Corporation in the valuation of any feed grains released under the authority of this act.

I say, most respectfully, that that is already in the law, and I say, most respectfully, that transportation charges and other charges relating to loan grains on which there are Commodity Credit loans were covered by the exchange of letters which, in the debate last year, I placed in the RECORD, and as to which the Secretary of Agriculture committed himself to respect those charges and to include them in the price.

I do not think this amendment is necessary. I think all it is doing is confusing the record. There was a good record last year, and the law is being well administered.

Mr. ELLENDER. Mr. President, I yield back my time.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield 1 minute of that time to me?

Mr. ELLENDER. I yield 1 minute to the Senator from Delaware.

Mr. WILLIAMS of Delaware. I think there has been some misunderstanding of the amendment of the Senator from Vermont. The Senator from Minnesota is correct in stating that it does not affect rates as such. The amendment affects the situation existing when the Secretary of Agriculture opens up Bin X in the Midwest and sells at \$1.10 from the shipping point, when he can open up a bin in another area and sell at \$1.25 from the shipping point. The differentials are not involved. The grains may be sold within the same transportation rates.

I am supporting the amendment because I do not think the Secretary should be able to open up a reservoir of grain at a bargain price without offering it to other areas at the same bargain price f.o.b. the shipping point.

Mr. HUMPHREY. The price relates to the present loan rate. That is the price the Secretary is required to go by. The current loan rate takes into consideration cost factors relating to the price of the grain. This has been the historic practice. That practice is being maintained. The purpose of the amendment is right. However, the amendment is covered by the existing law and the exchange of communications.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. May I have one-half minute?

Mr. ELLENDER. I yield to the Senator.

Mr. HUMPHREY. This provision would actually weaken the case for the Northeastern United States. I did not want to have to say this because I have just had a big argument with the Department of Agriculture over what it is trying to do to the Midwest. Frankly, this amendment is better for the Midwest because it does not take into consideration transportation cost.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. RIBICOFF. Mr. President, I ask unanimous consent for 3 more minutes to discuss the conversation I had with the Secretary of Agriculture.

The PRESIDING OFFICER. If the Senator from Connecticut obtains unanimous consent, that may be done.

Mr. HUMPHREY. Mr. President, in order to protect the rights of the opposition, I suggest that an additional 5 minutes be allowed, so the opponents of the amendment may have time to respond. Otherwise, I am afraid we shall have several suggestions for unanimous consent.

The PRESIDING OFFICER. The Chair is open to any request. There has been a request for 3 minutes.

Mr. ELLENDER. Mr. President, I ask unanimous consent for 5 minutes, 2½ minutes on each side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I explained to the Secretary of Agriculture the deep concern of the senior Senator from Connecticut and myself concerning the impact of the feed grain law upon the poultry raisers of Connecticut and New England.

The Secretary assured me that he would take it into account and he would assure all New England Senators that the poultry growers in New England would be treated in the same way and as fairly as poultry growers in the remainder of the country were treated, and that he would try to make sure that there would be no differential between the price of grain going into the New England States and that going to the Southeastern States.

He further assured me that he would be willing to meet with Senators from the New England States, including the

Senator from Vermont and the senior Senator from Connecticut and myself, and other Senators from New England, and that we could bring in any experts we might wish to bring in from our respective States, to discuss this entire situation.

He again assured me that he would try to be fair and eliminate any inequities that exist between the rest of the country and the poultry growers in our respective States in New England.

Since this could be done administratively, he felt there was no necessity to try to meet the problem with an amendment such as the one offered by the distinguished Senator from Vermont.

Mr. LAUSCHE. Mr. President, will the Senator yield to me?

Mr. AIKEN. I may want to use my 2½ minutes.

Last winter, when the differential was put into effect, I contacted the Department of Agriculture and received assurance somewhat similar to the assurance received by the Senator from Connecticut. Nearly 5 months have gone by, and I have not seen any effort made to carry out that assurance. If they intend to do it, the amendment will not do any harm whatever, because the purpose of the amendment is to see to it that they carry out the assurance which was given to the Senator from Connecticut today and was given to me nearly 5 months ago.

Mr. RIBICOFF. The senior Senator from Connecticut and I have had the same response to many letters that we have sent to the Department. However, at the present time, since this is a crucial matter, the Secretary of Agriculture probably realizes that the time has come to talk with the Senators from the New England States.

Mr. AIKEN. All I can say is that in New England we can live frugally, but we cannot live wholly on promises.

Mr. RIBICOFF. I hope the Secretary will carry out his commitment.

Mr. LAUSCHE. Mr. President, if I had any question about how I should vote on the amendment, it has now been completely removed by the recitation of what has taken place. Petitions have been filed for the equalization of rights on both sides. Now comes the time for voting, and to procure a vote on a measure desired by the Secretary of Agriculture the word is sent to the Senate "Vote the way I ask, and I will do what you want."

Mr. AIKEN. I have been waiting for 5 months.

The PRESIDING OFFICER. All time for debate has expired. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AIKEN] and other Senators. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD (when his name was called). On this vote I have paired with the senior Senator from Illinois [Mr. DIRKSEN]. If he were present and voting he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore I withhold my vote.

Mrs. NEUBERGER (when her name was called). On this vote I have a pair with the Senator from Maine [Mr. MUSKIE]. If he were present and voting he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Tennessee [Mr. KEFAUVER], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PELL], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that, if present and voting, the Senator from Texas [Mr. YARBOROUGH] would vote "nay."

On this vote, the Senator from Tennessee [Mr. KEFAUVER] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Tennessee would vote "nay," and the Senator from Colorado would vote "yea."

On this vote, the Senator from Utah [Mr. MOSS] is paired with the Senator from Rhode Island [Mr. PELL]. If present and voting, the Senator from Utah would vote "nay," and the Senator from Rhode Island would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Illinois [Mr. DIRKSEN], and the Senator from New York [Mr. JAVITS] are necessarily absent.

The pair of the Senator from Illinois [Mr. DIRKSEN] has been previously announced.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Tennessee would vote "nay."

If present and voting the Senator from New York [Mr. JAVITS] would vote "yea."

The result was announced—yeas 38, nays 52, as follows:

[No. 74 Leg.]

YEAS—38

| | | |
|-----------|---------------|----------------|
| Aiken | Fong | Morton |
| Anderson | Goldwater | Pastore |
| Beall | Hickenlooper | Pearson |
| Bennett | Holland | Prouty |
| Boggs | Hruska | Robertson |
| Byrd, Va. | Jordan, Idaho | Saltonstall |
| Carlson | Keating | Scott |
| Case | Kennedy | Simpson |
| Cooper | Kuchel | Smith |
| Cotton | Lausche | Tower |
| Curtis | McIntyre | Williams, N.J. |
| Dodd | Mecham | Williams, Del. |
| Dominick | Miller | |

NAYS—52

| | | |
|--------------|--------------|----------------|
| Bartlett | Hart | Monroney |
| Bayh | Hartke | Morse |
| Bible | Hayden | Mundt |
| Brewster | Hill | Nelson |
| Burdick | Humphrey | Proxmire |
| Byrd, W. Va. | Inouye | Ribicoff |
| Cannon | Jackson | Russell |
| Church | Johnston | Smathers |
| Clark | Jordan, N.C. | Sparkman |
| Douglas | Long, Mo. | Stennis |
| Eastland | Long, La. | Symington |
| Edmondson | Magnuson | Talmadge |
| Ellender | McCarthy | Thurmond |
| Engle | McClellan | Young, N. Dak. |
| Ervin | McGee | Young, Ohio |
| Fulbright | McGovern | |
| Gore | McNamara | |
| Gruening | Metcalf | |

NOT VOTING—10

| | | |
|----------|-----------|------------|
| Allott | Mansfield | Pell |
| Dirksen | Moss | Yarborough |
| Javits | Muskie | |
| Kefauver | Neuberger | |

So Mr. AIKEN's amendment was rejected.

Mr. ELLENDER. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CURTIS. Mr. President, I call up my amendment No. 90, and ask that it be read.

The PRESIDING OFFICER. The amendment of the Senator from Nebraska will be read.

The LEGISLATIVE CLERK. On page 12, in line 14, it is proposed to add the following new sections:

That, in addition to any other tax or duty imposed by law, there is hereby imposed a duty of 25 per centum ad valorem upon imports under any specific import classification covering the following articles entered or withdrawn from warehouse for consumption during any calendar year beginning after December 31, 1962, in excess of the imports under such import classification during the calendar year 1957, such additional duty to apply only to the respective import classification with respect to which imports in any calendar year are in excess of imports during 1957:

(1) Cattle (including calves), sheep (including lambs), and hogs, except for breeding purposes;

(2) Beef, veal, pork, mutton, and lamb, fresh, chilled, or frozen, or prepared, preserved, or canned except offal and canned corned beef.

SEC. 2. The duties imposed by this Act shall be treated for administrative purposes as duties imposed by the Tariff Act of 1930.

SEC. 3. This Act shall enter into force as soon as practicable, on a date to be specified by the President in a notice to the Secretary of the Treasury following such negotiations as may be necessary to effect a modification or termination of any international obligations of the United States with which it may conflict, but in any event not later than ninety days after the date of enactment of this Act.

Mr. CURTIS. Mr. President, on the question of agreeing to my amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. How much time does the Senator from Nebraska yield to himself?

Mr. CURTIS. Mr. President, I yield myself such time as I may desire to use.

The PRESIDING OFFICER. Very well. The Senator from Nebraska is recognized.

Mr. CURTIS. Mr. President, the pending bill is intended to improve the income of the American farmers. In order to effect such a price, restrictions are imposed as regards the quantities of the commodities the farmers may plant. Is it not logical that there also be restrictions on the amounts which can be imported? I believe that if we are to have a reduction in the amounts of agricultural products placed upon the market and if we are to impose reductions on the amounts produced by U.S. farmers, there must be reasonable restrictions upon imports. It is my opinion that the agricultural problem is so severe that we must tackle it from every possible angle. So I think there must be restrictions on imports.

I also believe we must find new uses for the commodities which our farmers

produce. The latter will be covered in another amendment which I shall offer.

Mr. President, the imports of livestock, meat, and meat products have been in increasing amounts year after year, for some time. The amounts of the imports are such that they are depressing the prices which are received by U.S. farmers, ranchers, and feeders.

I would remind the Senate that every head of livestock produced in the United States consumes feed grains. All the production—whether it be live animals or meat or meat products—imported from other countries adds to our surplus of feed grains. I hope the powers that be will permit Senators to vote on this amendment in accordance with their own feelings and in accordance with the merits involved.

Mr. President, this year, for the first time, in substance, the United States has imported more meat and meat products than it has exported. With our large, efficient farms and our great consumption of meat products, we have consistently been able to provide for our own, and yet have been able to export high-quality meats in substantial quantities. However, a few countries with extremely low production costs, and unhampered by the strict sanitary and packaging regulations which are properly enforced so rigidly in the United States, have now organized for large-scale inroads into this market.

Imports have been growing so rapidly that prices have been seriously affected; cattle and sheep markets are uncertain and unsteady; farmers of all kinds who raise some animals for cash income are demanding that something be done to stem the rising tide of imports.

It was in answer to demands from all parts of the country that I introduced on March 19, Senate bill 1126. This bill would impose additional duties in the amount of 25 percent ad valorem on all cattle, sheep, and hogs, except for breeding purposes, and on all beef, veal, pork, mutton and lamb, fresh, frozen, or prepared or canned, except corned beef, imported above the amounts of the respective items imported during the calendar year 1957.

Mr. President, this is a reasonable amendment. It does not impose an embargo. It does not say, "Let us shut off all imports." It picks out a year in which we had a reasonable amount of imports, and provides that when the imports exceed that amount, they will be subject to an additional import tax or tariff. I believe this is the most logical and reasonable way to approach this subject. We cannot do it by imposing quotas. If we were to impose a quota which restricted the number of cattle to be imported, that might result in increased imports of meat and meat products, which are controlled by a different measure.

This amendment provides that when the imports in any of these classifications exceed the 1957 level, a tariff of 25 percent ad valorem shall be imposed upon the excess.

I submit that this is good foreign relations, Mr. President. Would our country respect any government in the world which had an agricultural prob-

lem as severe in nature as ours and yet insisted on importing food products? Some may be carried away by a Santa Claus illusion; but it is a fact that we cannot command the respect of other nations by importing food when we have such a severe agricultural problem.

Mr. President, the imports in 1957 were substantial. An additional duty of 25 percent would not affect any imports except those above the amounts imported during that year.

My bill, which I offer as an amendment to the pending bill, would allow us to continue to purchase very substantial amounts of these products from abroad. It would not cut back foreign production, it would merely prevent the demoralization of our domestic farm communities. If something is not done, and imports are allowed to continue to grow and replace beef, mutton, and pork which would otherwise be raised and processed in the United States, the small farmer may just as well fade out of the competitive picture as far as meat animals are concerned. This most important of all the immediate cash returns to the farmer will be gone.

This method of allowing substantial imports while giving some needed assurance to our farmers that they can continue to exist is no new innovation. A number of so-called "tariff quotas" have been successfully administered in the past and very successfully so. I recall an attempt to save our copper mining industry resulted in a bill which assessed additional duties when the price of copper dropped below a certain point. That action did save that industry and yet it did not prevent open competition.

Even now, as a result of our foreign trade agreements, certain cattle may enter the United States at a very low tariff figure, but that tariff rate is increased when imports reach a certain point. I may state that imports of live cattle have not yet reached that maximum, because foreign growers have found it more profitable to dress and pack the animals before shipment to the United States, and there is no present additional tariff on the dressed meats imported above a given amount. That is the purpose of my amendment. It would allow a very large amount of imports of both live animals and dressed and packed meats—but above that reasonable amount it would provide for the collection of additional duties.

I wish to call to the attention of the Senate the plight of the small meat-packers of the country, particularly those who manufacture cold cuts, sausages, and products of that type. They face severe competition. I suggest that Senators visit one of the food markets. They will be shocked by the unreasonable amount of foreign meat products which are offered for sale.

I do not propose that all foreign products be shut out. I do not propose that we abolish competition. I suggest a reasonable solution that after we reach the 1957 level, which was a fair year, an additional duty be imposed.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. CURTIS. I yield to my distinguished colleague.

Mr. HRUSKA. First, I commend my colleague for having submitted his amendment, which is the substance of a bill which he has pending. It reaches a point which is very important in the economy of the Midwest particularly.

However, I should like to ask my colleague if it has not been true that it has been the consistent and emphatic position of the Secretary of Agriculture that these imports are not harmful to the cattle market price insofar as the raiser and producer is concerned.

Mr. CURTIS. Yes. Traditionally the Secretary of Agriculture is forced into a position of supporting the State Department. On this issue no unit in the executive branch of the Government has spoken up or moved at all in behalf of the American farmer.

Mr. HRUSKA. Is it not true, however, that the principal reason which the Secretary of Agriculture advances for his position is that it is the prime beef market which is the one that has suffered price reversals and a price depression, whereas the imports that are coming in are the lower grades of beef—the lesser grades of beef—rather than those that are suffering the impact of price lowering?

Mr. CURTIS. That is true. Imports are creating the toughest competition in the lower grades. But the Government of the United States has made another attack on the high quality meats. I invite the Senator's attention to the testimony of the National Livestock Producers before the Treasury Department within the last few weeks protesting Treasury regulations and confusion in respect to expense accounts, which has caused a drop in the consumption of the best steaks and the best roast beef. Prices have gone consistently down. The prices received by the farmers and the ranchers today are shamefully lower, in the light of all the costs that they must face.

Mr. HRUSKA. Mr. President, will the Senator yield further?

Mr. CURTIS. I yield further.

Mr. HRUSKA. However, is it not true that whatever the position of the Secretary of Agriculture might be—and he has stated it repeatedly—that there is one aspect which he has never met in this regard, and that is the effect it would have on the bill which is now under consideration; namely, that every ton of beef is reported, whether it be high quality or low quality. That means that beef is being sold and consumed in this country which has not consumed any of the feed grains of which we have such a great surplus and against which the pending bill is directed for corrective measures.

Mr. CURTIS. That is very true.

Mr. President, may I inquire how much time I have remaining?

The PRESIDING OFFICER. The Senator has used 15 minutes and has 15 minutes remaining.

Mr. CURTIS. I thank the Chair, and I thank also my colleague.

In response to what my colleague has

said, I wish to quote from a statement of a farm editor in Nebraska. He said:

I also told these people, that in the past year, if you will check the records, you will find that our import over export of meat products will be roughly 4½ to 5 percent. If the United States were called upon to produce this extra 4½ to 5 percent import of meat over export, it would require 44,600,000 acres of American production of grass and feed crops to produce that extra 4½ to 5 percent of meat imported over export. For a good many years we have gone along with the foreign countries. They have imported roughly 3 to 3½ percent. We have exported approximately that same amount, and so that left no net import over export and, of course, now in the past 5 or 6 years, import from various foreign countries of meat has consistently increased to where now, as I stated, 4½ to 5 percent of our domestic production of meat is being imported, and that, as I stated, would require 44,600,000 acres to produce that extra 5 percent. In the meantime our Federal Government tells us farmers that it has become necessary to retire 50 million acres of food production to bring production in balance with consumption. And here, and here alone, on this extra meat tonnage, we would have an opportunity to set aside—or utilize rather—44,600,000 acres to produce the extra 4½ to 5 percent of meat which is imported over our exports.

Mr. President, I wish to give an illustration, by use of figures.

Mr. McGOVERN. Mr. President, will the Senator yield?

Mr. CURTIS. If I may, first I wish to read the figures. Then I shall be happy to yield for a question.

My distinguished colleague mentioned the lower grade meats. I wish to read the figures on imports of boneless beef and veal in million of pounds.

From 1951 to 1955 they averaged 18.2 million.

In 1958, they were 255.9 million.

In 1959, they were 469.2 million.

In 1960, they were 383.9 million.

In 1961, they were 527.5 million.

In 1962, they were 782.8 million.

In other words, from 1951 to 1961, our imports of this classification of meat increased by 2,898 percent. From 1951 to 1962, they increased by 4,301 percent.

Mr. President, how can the Senate ignore that problem and force further restrictions on the producers of feed grains in this country?

I now yield to the Senator from South Dakota.

Mr. McGOVERN. Mr. President, I think the Senator's concern about the declining livestock prices is well taken. I certainly share his alarm and concern about this very serious problem.

It seems to me that the amendment which the Senator is proposing might more properly be considered by the Finance Committee. I think, also, that the chairman of the Committee on Agriculture and Forestry is absolutely correct when he stresses that any amendment, no matter how worthy it might be, might jeopardize the passage of the overall bill.

I wonder if the Senator would be willing to introduce a bill as separate legislation, to be considered by the Finance Committee, should the amendment fail today.

Mr. CURTIS. It has been introduced already as a separate bill. There is no

better time than now to consider it. Now the Senate is considering agriculture. Now the Senate is seeking to impose restrictions on American production. Now is the time to impose restrictions on the flood for foreign products going into our markets.

So far as the amendment perhaps jeopardizing passage of the bill is concerned, at least that is not a novel suggestion. That is used against every amendment on every subject when Senators are without an argument as to its merits.

Mr. McGOVERN. If the Senator will yield further, again I wish to stress the fact that I think there is considerable merit in what the Senator proposes today, but I am equally sure that the passage of the bill, which would help us to limit feed grain production to a reasonable degree, also is very important in terms of stabilizing livestock and meat prices. I would not like to see anything done today which would in any way jeopardize passage of the bill.

I am glad to know that the Senator has introduced the amendment as a separate piece of proposed legislation. While I should like to study it a little further, I am generally sympathetic with what the Senator seeks to do.

Mr. CURTIS. I thank the distinguished Senator. I remind the Senator that acceptance of the amendment would speed passage of the bill.

Mr. McGOVERN. I thank the Senator.

Mr. CURTIS. I doubt if very many Senators would vote against passage of the bill if the amendment were agreed to. Every Senator who is at all in tune with agriculture in the United States knows that this goes to the very heart of the problem.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. CURTIS. I yield to the distinguished Senator from Iowa.

Mr. MILLER. Mr. President, I recognize that the Secretary of Agriculture has put out an information sheet on this problem, dated March 7, 1963, in which he called attention to the fact that:

The chief reason for the recent decline in prices of fed cattle from the very high levels of November 1962 has been the large number of U.S. fed cattle marketed and available for market in the first half of 1963.

It ought to be pointed out that he also says:

While the volume of imports no doubt had some influence on the average price of all cattle, it was probably less marked on prices of fed cattle.

I ask unanimous consent that this information bulletin on U.S. meat imports may be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Iowa? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. MILLER. Mr. President, I think it is well to point out that even the Secretary of Agriculture has given recogni-

tion to the impact of imports on the declining prices of livestock. This is of course of immediate concern to those of us who live in the Middle West.

In this connection, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a letter dated March 4 from Don Cunningham, former executive secretary, Sioux City Livestock Exchange, in which he says that if we do not do something about the continued enlarged increases of imports of beef and veal we are courting disaster for the feeding industry.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Iowa? The Chair hears none, and it is so ordered.

(See exhibit 2.)

Mr. MILLER. Mr. President, this is of immediate concern with respect to prices of livestock. As the Senator from Nebraska said, the heart of the problem, so far as the feed grain industry is concerned—and this is the subject at hand today—is, What shall we do to further the objective of this bill, which is to reduce surpluses?

It does not make much sense for us to aggravate the surpluses by importing cattle or importing beef products which have never used up any of our feed grains.

So, Mr. President, I hope that the amendment will be accepted.

I also ask unanimous consent to have printed in the RECORD at the conclusion of my remarks three tables. The first shows "U.S. Production, Imports and Exports of Beef and Veal and Cattle Prices, 1952-62" and, incidentally, indicates that there has been a doubling of imports in the past two years. The second indicates by country of origin the volume of imports of beef and veal. The third indicates the "Quantity and Dollar Value of Agricultural Imports to United States from Poland" for various years.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Iowa? The Chair hears none, and it is so ordered.

(See exhibit 3.)

EXHIBIT 1

INFORMATION ON U.S. MEAT IMPORTS

U.S. beef and veal imports in 1962 totaled about 1.4 billion pounds, dressed weight, and were equivalent to 9 percent of U.S. production of beef and veal. Imports rose from 775 million pounds in 1960 to 1 billion pounds in 1961. U.S. imports of all meats in 1962 totaled around 1.8 billion pounds, dressed weight, compared with 1.3 billion a year earlier, and were equivalent to 6 percent of total U.S. production of about 29 billion pounds.

The chief reason for the recent decline in prices of fed cattle from the very high levels of November 1962 has been the large number of U.S. fed cattle marketed and available for market in the first half of 1963. Relatively plentiful supplies of chicken and pork may also have had some effect on cattle prices. U.S. beef production was a record high in 1961, maintained that level in 1962, and will probably rise in 1963. Domestic beef consumption has increased from 81 pounds per person in 1958 to about 90 pounds in 1962. Record numbers of fed cattle have been marketed in the past 2 years and 12 percent more cattle were on grain feed for market

on January 1, this year, compared to last year.

While the volume of imports no doubt had some influence on the average price of all cattle, it was probably less marked on prices of fed cattle. Most of the imports were frozen boneless beef, veal, and mutton from Australia, New Zealand, and Ireland. These products supplement U.S. production by supplying lower grade processing meat which we have not been producing in large enough quantities to meet the unusually strong demand. This imported meat is also used for blending with fatter trimmings obtained from domestic sources which otherwise would not have been used and would have had a price-depressing effect. The imports have been attracted by the relatively favorable domestic prices for lower grade beef. Marketings of lower grade cows, and old sheep, which provide a large part of our processing meat and which would be most affected by imports, make up a relatively small part of domestic livestock sales. Domestic cow slaughter is expected to increase this year and this may tend to reduce the need for imports.

Exporters to the United States incur fairly large transportation and other marketing costs in addition to U.S. import duties, the latter now equivalent to about 9 percent ad valorem for boneless beef. Under present legislation, the Department has no administrative authority to limit meat imports for economic reasons.

In spite of imports, cattle prices have held at fairly high levels. In February 1963 the U.S. average price received by farmers for all beef cattle was \$20.40 per hundred pounds, compared with \$20.80 a year earlier; cow prices averaged \$13.90 per hundred pounds, only 60 cents below a year earlier. The February beef cattle prices were 85 percent of parity.

The Department attaches great importance to our export markets for farm commodities. Meat imports are partially offset by large exports of animal byproducts such as lard, tallow, greases, hides, skins, and variety meats. Exports of livestock and meat products were valued at \$365 million in 1961 and made a valuable contribution to our foreign exchange earnings and to the welfare of American livestock producers. Attached is a publication which explains our programs to reduce foreign barriers and stimulate exports. (Livestock and Meat Products Division, Foreign Agricultural Service, U.S. Department of Agriculture, Mar. 7, 1963.)

EXHIBIT 2

SIoux CITY, IOWA,
March 4, 1963.

Hon. JACK MILLER,
U.S. Senator,
Senate Office Building,
Washington, D.C.

MY DEAR JACK: A fellow, who has been in this livestock business all his life has seen, as you well know, a lot of good markets and a lot of bad markets and it has been a privilege to observe that the livestock man, who has undergone these turns of fortune, both good and bad, has always accepted his lot and hasn't asked for any special treatment—hasn't wanted and doesn't want Government help or Government subsidies and above all any Government supervision.

However, right now this livestock producer, especially the cattle feeder, is in a tough spot. Right now there is a large supply, perhaps too big, in the feed lots of the United States together with our total cattle numbers at an alltime high of 104 million cattle. Now the year 1962 was a good year. Prices were good—heavier feeding was stimulated by these prices, but over and above this, our meat prices proved very

attractive for the New Zealand and Australian producer. As a consequence we have seen some extraordinarily high imports. In fact, the meat imports from these two countries is reaching a point that is dangerous, inasmuch as it approaches about 10 percent of our meat consumption. These countries have the potential to keep on shipping the meat in ever-increasing amounts with the

result that further financial losses, which are already great, would be incurred by the cattle feeder. If continued any length of time many feeders will be badly hurt while a sizable number will be eliminated.

I don't have any idea as to what might be done to curtail these imports, but very definitely the time has come to lessen them, if not to eliminate them entirely, else we

are courting disaster for the feeding industry.

If there is anything you or anyone else can do to aid in rectifying this condition, you would be performing a yeoman service if you get the wheels rolling.

With my best personal regards, I am,
Sincerely yours,

DON CUNNINGHAM.

EXHIBIT 3

U.S. production, imports and exports of beef and veal, and cattle prices, 1952-62

| Year | U.S. production | U.S. imports | | Cattle prices ¹ | U.S. exports, beef and veal (carcass weight ¹) | Year | U.S. production | U.S. imports | | Cattle prices ² | U.S. exports, beef and veal (carcass weight ¹) |
|-----------|-----------------|--|----------------------------------|----------------------------|--|-----------|-----------------|--|----------------------------------|----------------------------|--|
| | | Beef and veal (carcass weight ¹) | Imports as percent of production | | | | | Beef and veal (carcass weight ¹) | Imports as percent of production | | |
| | Million pounds | Million pounds | | | Million pounds | | Million pounds | Million pounds | | | Million pounds |
| 1952..... | 10,819 | 429 | 4.0 | \$24.80 | 20 | 1958..... | 14,516 | 909 | 6.3 | 22.00 | 32 |
| 1953..... | 13,953 | 271 | 1.9 | 16.60 | 47 | 1959..... | 14,588 | 1,063 | 7.2 | 22.70 | 34 |
| 1954..... | 14,610 | 232 | 1.5 | 16.00 | 49 | 1960..... | 15,835 | 775 | 4.9 | 20.40 | 36 |
| 1955..... | 15,147 | 229 | 1.5 | 15.70 | 50 | 1961..... | 16,341 | 1,037 | 6.3 | 20.20 | 36 |
| 1956..... | 16,094 | 211 | 1.3 | 15.00 | 97 | 1962..... | 16,297 | 1,454 | 8.9 | 21.30 | 32 |
| 1957..... | 15,728 | 395 | 2.5 | 17.20 | 100 | | | | | | |

¹ Canned and other processed meats have been converted to their dressed-weight equivalent.

² U.S. average received by farmers for beef cattle per 100 pounds.
³ Simple average.

U.S. imports of beef and veal and other canned meat, prepared or preserved, 1958-62

[In thousands of dollars]

| Commodity | 1958 | 1959 | 1960 | 1961 | 1962 |
|--|---------|---------|---------|---------|---------|
| Beef and veal..... | 152,752 | 225,490 | 173,637 | 228,221 | 301,569 |
| Other meat, canned, prepared or preserved..... | 32,508 | 27,042 | 8,538 | 11,265 | 10,534 |
| Total..... | 185,260 | 252,532 | 182,175 | 239,486 | 312,153 |

U.S. imports of beef and veal, by month, July 1961-December 1962

[In thousands of pounds]

| Beef and veal | 1961 | 1962 | 1963 | Beef and veal | 1961 | 1962 | 1963 |
|----------------|--------|--------|--------|----------------|------|---------|------|
| July..... | 67,320 | | | April..... | | 61,327 | |
| August..... | 83,508 | | | May..... | | 51,448 | |
| September..... | 57,714 | | | June..... | | 69,077 | |
| October..... | 63,199 | | | July..... | | 73,177 | |
| November..... | 69,941 | | | August..... | | 113,284 | |
| December..... | 52,719 | | | September..... | | 103,556 | |
| January..... | | 64,847 | 56,852 | October..... | | 88,721 | |
| February..... | | 49,332 | | November..... | | 89,186 | |
| March..... | | 97,802 | | December..... | | 86,062 | |

Beef and veal: U.S. imports, product weight basis, by country of origin, average, 1951-55; annual, 1958-62

[In thousands of pounds]

| Country | Average, 1951-55 | 1958 | 1959 | 1960 | 1961 | 1962 | Country | Average, 1951-55 | 1958 | 1959 | 1960 | 1961 | 1962 |
|-------------------------|------------------|---------|---------|---------|---------|---------|-------------------------------|------------------|---------|---------|---------|---------|---------|
| New Zealand..... | 12,990 | 182,002 | 160,937 | 130,695 | 154,329 | 213,556 | Costa Rica..... | | 2,794 | 9,759 | 15,334 | 8,713 | 8,106 |
| Argentina..... | 97,562 | 91,350 | 62,911 | 47,553 | 56,467 | 45,818 | Cuba..... | 8 | 153 | 2,262 | 293 | | |
| Mexico..... | 35,435 | 73,740 | 48,541 | 39,042 | 53,336 | 59,233 | United Kingdom..... | 66 | 0 | 1,698 | 2,988 | 1,312 | 6,891 |
| Canada..... | 25,360 | 53,200 | 22,321 | 18,747 | 32,119 | 19,143 | Nicaragua..... | | 40 | 5,764 | 10,033 | 14,577 | 15,795 |
| Ireland..... | 7,187 | 23,741 | 41,977 | 43,615 | 61,098 | 70,725 | Honduras..... | 311 | 409 | 1,509 | 3,391 | 5,525 | 9,324 |
| Australia..... | 1,411 | 16,928 | 223,941 | 144,665 | 232,164 | 444,730 | Other..... | 51 | 75 | 682 | 550 | 3,415 | 15,936 |
| Brazil..... | 2,828 | 10,835 | 20,805 | 8,417 | 13,960 | 13,539 | Other meat ¹ | 24,234 | 141,402 | 96,099 | 21,309 | 23,866 | 23,126 |
| Uruguay..... | 15,612 | 9,501 | 8,911 | 10,753 | 14,781 | 16,117 | Total..... | 206,784 | 619,223 | 722,348 | 512,605 | 689,572 | 970,945 |
| Paraguay..... | 610 | 8,911 | 8,863 | 9,732 | 10,081 | 8,167 | | | | | | | |
| Dominican Republic..... | 3,119 | 4,142 | 5,368 | 5,488 | 3,829 | 739 | | | | | | | |

¹ Other meat, canned, prepared or preserved; see following table for a country breakdown of this item.

² Excludes estimated amounts of boneless beef included in this category prior to 1954. This is a miscellaneous category which since 1959 has been mostly uncanned cooked beef and before that lightly salted boneless beef.

Other meat (mostly beef): U.S. imports, product weight basis, by country of origin, average, 1951-55; annual 1958-62 (included in table above)

[In thousands of pounds]

| Country | Average, 1951-55 | 1958 | 1959 | 1960 | 1961 | 1962 | Country | Average, 1951-55 | 1958 | 1959 | 1960 | 1961 | 1962 |
|------------------|---------------------|---------|--------|-------|-------|--------|----------------|---------------------|---------|--------|--------|--------|--------|
| Argentina..... | | 125,373 | 65,662 | 5,097 | 8,781 | 10,094 | Australia..... | | 787 | 93 | 19 | 1,714 | 166 |
| Paraguay..... | | 5,474 | 5,235 | 256 | | | Canada..... | | 416 | 243 | 137 | 202 | 218 |
| Uruguay..... | | 47 | 4,034 | | | 9 | Ireland..... | | 34 | 7 | 9,178 | 3,351 | |
| Brazil..... | | 2,784 | 15,202 | 606 | 2,343 | 3,667 | Other..... | | 1,053 | 1,118 | 1,396 | 919 | 1,264 |
| Denmark..... | | 2,472 | 3,427 | 4,518 | 6,390 | 7,613 | Total..... | 1 4,234 | 141,402 | 96,099 | 21,309 | 23,866 | 23,126 |
| New Zealand..... | | 1,670 | 680 | 28 | 118 | 38 | | | | | | | |
| Mexico..... | | 1,292 | 398 | 74 | 48 | 57 | | | | | | | |

¹ Data for individual countries are not available for all years.

Quantity and dollar value of agricultural imports to United States from Poland for 1958, 1959, 1960, 1961, and 1962

| | 1958 | | 1959 | | 1960 | | 1961 | | 1962 ¹ | |
|---|------------|------------|------------|------------|------------|------------|------------|------------|-------------------|------------|
| | Pounds | Value | Pounds | Value | Pounds | Value | Pounds | Value | Pounds | Value |
| Caraway seed..... | 2,143,000 | 173,000 | 1,391,000 | 159,000 | 32,105,000 | 25,775,000 | 715,000 | 102,000 | 752,000 | 99,000 |
| Canned cooked hams and shoulders..... | 24,110,000 | 19,830,000 | 24,184,000 | 19,644,000 | 30,934,000 | 23,626,000 | 31,488,000 | 21,509,000 | 31,488,000 | 21,509,000 |
| Other pork, prepared and preserved..... | 2,861,000 | 2,192,000 | 2,746,000 | 2,223,000 | 2,954,000 | 2,101,000 | 3,749,000 | 2,474,000 | 8,276,000 | 4,030,000 |
| Hides and skins..... | 123,000 | 247,000 | 303,000 | 947,000 | 162,000 | 599,000 | 403,000 | 773,000 | 1,128,000 | 1,386,000 |
| Bristles..... | 160,000 | 189,000 | 155,000 | 273,000 | 169,000 | 266,000 | 110,000 | 213,000 | 160,000 | 245,000 |
| Feathers, crude..... | 104,000 | 369,000 | 258,000 | 496,000 | 454,000 | 770,000 | 2,090,000 | 975,000 | 326,000 | 1,091,000 |
| Casein or lactarene..... | 7,490,000 | 1,252,000 | 8,977,000 | 1,550,000 | 778,000 | 1,389,000 | 12,493,000 | 2,058,000 | 8,282,000 | 1,383,000 |
| Poppy seed..... | 1,067,000 | 192,000 | 1,924,000 | 348,000 | 1,929,000 | 315,000 | 2,152,000 | 251,000 | 2,949,000 | 249,000 |
| Chicory, crude..... | (2) | (2) | (2) | (2) | 5,835,000 | 193,000 | 8,736,000 | 290,000 | 7,977,000 | 219,000 |
| Blueberries..... | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) | 766,000 | 95,000 |
| Total for the year in value..... | | 24,645,000 | | 26,045,000 | | 31,753,000 | | 31,136,000 | | 30,766,000 |

¹ 1962 preliminary figures.

² Either too small to show or nothing reported.

Mr. CURTIS. Mr. President, I thank the distinguished Senator from Iowa for his remarks.

Mr. President, it cannot be said that this is contrary in fact or in spirit to the trade agreements we have with other nations. In fact, it merely extends the precedent set in trade agreement negotiations to cover other meat animals and dressed and packaged meats. Furthermore, it grants ample time to the President to make any necessary modifications in existing agreements.

We are about at the crossroads as far as our production of cattle, sheep, and hogs is concerned. The time has now come when the handwriting on the wall is too plain to be ignored. Now that imports have increased to the point where they exceed our exports and we become a net importer, the trend is plain to see. Unless something is done, foreign producers will further expand their great herds and continue their efforts to take over more and more of the U.S. market.

Mr. President, when the roll is called the issue will be clear cut on the question of imports. This will also assist in the passage of the bill. At least two or three dozen Senators will be compelled to vote for the bill if the amendment prevails.

Mr. SIMPSON. Mr. President, will the Senator yield?

Mr. CURTIS. Very briefly. My time is almost up.

Mr. SIMPSON. Did I correctly understand the Senator from Nebraska to say that 60 percent of the income of his State came from the sale of livestock?

Mr. CURTIS. That is correct.

Mr. SIMPSON. Cattle are raised in Wyoming, but sent to the Midwestern States for fattening. I call attention to the fact that Iowa, Minnesota, and Illinois are ahead of the State of Nebraska in the matter of fattening cattle with feed grain. I assume the Senator is concerned, not only from the stand-

point of feed, but from the standpoint of processing cattle.

Mr. CURTIS. Yes; for the entire industry; and the provision belongs in the bill.

I reserve the remainder of my time.

Mr. ELLENDER. Mr. President, under the unanimous-consent agreement entered into yesterday, it was agreed that no point of order would be made on this amendment; but I wish to state to the Senate that the amendment would be subject to a point of order, because it concerns taxes. The measure should be considered by the Finance Committee.

Since the distinguished Senator from Nebraska is a member of that committee, and since he admitted he has a bill pending before that committee on the same subject, it seems that the proper forum to pass upon that measure would be the Finance Committee. It has no place in the feed grain bill. I am very hopeful the Senate will vote the amendment down.

The Committee on Agriculture and Forestry did not make a study of this amendment. It was never presented to that committee. We do not know the implications involved in it. As we all know, we are having trouble in reestablishing our agricultural markets in Europe for certain commodities, because of the so-called Common Market that was established recently in Western Europe. It must not be forgotten that much of the wheat, rice, and a few other products that are produced in this country are shipped to Western Europe.

There is no doubt that, if we were to pass restrictive legislation, without a full study as to the impact it might have on the Common Market, we might get into more trouble than we were looking for. Therefore, it is my hope that this amendment will be defeated.

I point out also that, under section

22 of the Agricultural Act, the Secretary of Agriculture is empowered to deal with products that are shipped from abroad, if the products shipped into this country in any manner affect any of our price-support programs.

Since there is no price-support program on livestock, of course section 22 would not be applicable; but it is entirely possible that section 32 funds could be used to alleviate conditions that exist now in the cattle market.

If and when section 32 funds were used, section 22 of the present act would come under operation. Under that provision, the Secretary of Agriculture would be empowered to impose a 50-percent ad valorem tax, which would amount to a tariff, if he thought importations into this country did violence to a program under which price supports were in effect.

It is useless to go into any more arguments as to why the amendment should be defeated, but it seems to me an amendment of this kind should be considered by the proper committee.

I yield 5 minutes to the Senator from North Dakota [Mr. Young].

Mr. YOUNG of North Dakota. Mr. President, it has been difficult for me to be present at all times during the debate, because the committee has been marking up the Interior appropriation bill and I am a member of this committee.

The pending amendment is one that I would very much like to support. However, there is no possible prospect of having it approved. No hearings were held on it. All that the adoption of the amendment would do would be to delay passage of the bill. I think the wheat-growers are entitled to a little consideration. They are being asked to subject themselves to the toughest kind of production controls in order to reduce the cost of the wheat program and the surpluses.

If the pending bill passes, wheatgrowers will be able to increase their wheat acreage by reducing their feed grain acreage. Likewise it would permit farmers to increase the feed grain acreage by reducing their wheat acreage. This is highly important. It would give them much more freedom in planting. I think the wheat farmers are entitled to have this information before the wheat referendum.

This amendment and others are designed primarily to delay passage of the legislation until the referendum date. This is the position taken by the Farm Bureau Federation.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. In just a moment.

I know the Senator from Nebraska is sincere. He has been a fighter for barring imports of products of which we already have a surplus.

I yield to the Senator.

Mr. CURTIS. The junior Senator from Nebraska is motivated by one thing only, and that is an increased price for livestock. I do not wear the collar of the Farm Bureau or any other organization. Not only do I believe that the amendment is compatible with the bill before us, but that, without the provision, the rest of the bill would become a farce, because production in this country would be curtailed while we would do nothing about production abroad.

For every carcass shipped into this country, or for every head of livestock shipped into this country, would we have that much more surplus in feed grains.

I think the issue is square cut. Are we in favor of imports or against them? The insertion of the amendment in the bill would guarantee the quick passage of it.

Mr. YOUNG of North Dakota. I must disagree with the Senator from Nebraska. For the most part, none of these amendments were offered in the Committee on Agriculture. There were no hearings on them. For the life of me, I cannot understand why these amendments are being offered now, when the proponents never bothered to offer them before the Agriculture Committee. If they wanted them in the bill, they surely would have done so.

I would like to go along with some of these amendments, but this is not the time to do it. We are working on the feed grain bill, which I hope will be passed before the wheat referendum. I think the wheat farmers have a right to have this information.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. McCARTHY. I commend the Senator from North Dakota for his statement on this proposal and a whole complex of other amendments. What we are trying to deal with is feed grains. If we were to go along with this amendment, it could set up demands with respect to exportation of feed grains. We would have had time to consider this amendment in the Agriculture Committee, although it really probably belongs in the Finance Committee. It is a part

of the total problem of world trade, and it would have to be considered in light of exportation of food products and feed grains from the United States. To bring this amendment into the bill and say this is the answer to the feed grains problem and the answer to low prices which are now paid for livestock would be proceeding to the point of distorting the whole consideration of the bill.

I hope that the amendment will be voted down.

Mr. YOUNG of North Dakota. There is another very important provision in the bill.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I yield 1 more minute to the Senator from North Dakota.

Mr. YOUNG of North Dakota. The bill would have this effect on future price supports on feed grains. In the omnibus farm bill which we passed last year, feed grain price supports were from 65 to 90 percent of parity to 50 to 90 percent of parity, with a provision which makes it mandatory for the Secretary to reduce price supports for corn and other feed grains to 50 percent of parity.

The bill, if passed, would permit the Secretary of Agriculture for 2-year period to increase the price support to 65 to 90 percent. This will prevent a drastic drop in prices of feed grains.

I believe that if the farmers were consulted, most of them would tell us that that is what they are most concerned about in the pending bill.

Mr. ELLENDER. Mr. President, I yield 1 minute to the Senator from North Carolina.

Mr. JORDAN of North Carolina. Mr. President, I am thoroughly in sympathy with what the Senator from Nebraska is trying to accomplish. However, I do not believe that the pending bill is the proper vehicle to which to attach the amendment. It is completely out of order in that regard.

The amendment was not considered by the Committee on Agriculture and Forestry. No study of the subject has been made. It would be doing a real disservice to the bill to attach the amendment to it. For that reason, I cannot support the amendment. I am in sympathy with what the Senator from Nebraska is trying to do, because I have been advocating the same principle. However, I do not believe that the pending bill is the proper bill to which an amendment of this kind should be added. Therefore, I shall have to vote against the amendment.

Mr. CURTIS. Mr. President, I yield 1 minute to the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, the Senator from North Dakota [Mr. Young] and I disagree on the amendment. He is always a zealous advocate for the wheat sector of our agricultural economy. With regard to the amendment being proposed, there is one reason why the amendment was not considered by the committee. We did not have time to develop many of the amendments that will be proposed. Many of the Members of the Senate did not really know what was involved in the pending bill because of the precipi-

tate action of the committee. The majority tried to report the bill without amendments on the very first day that the committee met. By the time the other members of the committee found out what was in it, action had been taken and the bill had been sent to the Senate. Several of the amendments that I will propose were offered before the committee, while with respect to others, I notified the committee that I would offer them on the floor. However, a great many amendments were presented before the committee.

Mr. DOMINICK. Mr. President, will a Senator yield to me?

Mr. CURTIS. I yield one-half minute to the Senator from Colorado.

Mr. DOMINICK. I thank the Senator. I wish to ask a question of the Senator from Louisiana. Day before yesterday there was spread on the RECORD, and prior to that time there had come to my attention, the information that the administration in its effort to try to get Great Britain into the Common Market, was accepting, through the Department of State, increased imports of beef and beef products from New Zealand, and that this situation would become worse before it became better. I would like to know whether the Senator from Louisiana has any information on that subject.

Mr. ELLENDER. I have no information on the subject.

Mr. CURTIS. Mr. President, does the Senator from Louisiana expect to speak further?

Mr. ELLENDER. No.

Mr. CURTIS. Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks designated excerpts from the April 3, 1963, bulletin of the National Livestock Feeders Association; also Legislative Resolution 25, passed by the Legislature of the State of Nebraska, certified by the clerk of the legislature, referring to the curb on imports.

The bulletin from the National Livestock Feeders Association contains a number of valuable tables, showing the problem and the tremendous increase in imports. This is the main threat to our industry. It is the most important factor that is causing the depressed prices in the livestock industry.

Again, I repeat that this offers a clear-cut choice on the question of imports. The amendment belongs in the bill. It will aid the passage of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL LIVESTOCK
FEEDERS ASSOCIATION,
Omaha, Neb., April 3, 1963.

To: The Honorable Christian A. Herter, Special Representative for Trade Negotiations.

From: The officers and directors, National Livestock Feeders Association.

Re: Imports of meat and meat products and U.S. policy in foreign trade negotiations.

Prior to 1958, the United States was a net exporter of livestock and meat products by a significant amount. However, in the past 5 years the relationship has changed and the value of exports has been considerably lower than the value of imports. According to figures obtained from reports of the For-

eign Agricultural Service, the dollar volume of exports of livestock and meat products by the United States in 1962 amounted to approximately \$320 million; whereas our imports amounted to \$670 million, plus around \$209 million of wool, making total imports of approximately \$879 million. In other words, in 1962, the United States imported $2\frac{3}{4}$ times the dollar volume of her exports. This reversal in export-import balance has come about in the very short period of 5 years.

The swing from a net exporter to a net importer has come about primarily from the very significant increase in the importation of manufacturing (boneless) beef, veal and mutton. It was in 1958 that the import duties on these products were reduced 50 percent: Beef and veal (fresh, chilled, or frozen, 6 cents per pound to 3 cents per pound; mutton (fresh, chilled or frozen), 5 cents per pound to $2\frac{1}{2}$ cents per pound.

The figures in tables A and B show the very rapid buildup in the imports of boneless beef, veal and mutton and of the fresh or frozen products, as a whole, following tariff reductions in 1958:

TABLE A.—Imports of boneless beef and veal (product weight basis)

[In millions of pounds]

| | |
|--|-------|
| Average 1951-55..... | 18.2 |
| 1958 ¹ | 255.9 |
| 1959..... | 469.2 |
| 1960..... | 383.9 |
| 1961..... | 527.5 |
| 1962 (see note)..... | 782.8 |
| 1961 as a percentage of 1951-55 (percent)..... | 2,898 |
| 1962 as a percentage of 1951-55 (percent)..... | 4,301 |

IMPORTS OF FRESH OR FROZEN BEEF AND VEAL²
(PRODUCT WEIGHT BASIS)

[In millions of pounds]

| | |
|--|-------|
| Average 1951-55..... | 59.9 |
| 1958 ¹ | 358.2 |
| 1959..... | 524.5 |
| 1960..... | 413.8 |
| 1961..... | 569.2 |
| 1962..... | 863.3 |
| 1961 as a percentage of 1951-55 (percent)..... | 950 |
| 1962 as a percentage of 1951-55 (percent)..... | 1,441 |

Percent in 1962 from:

| | |
|----------------------|-------|
| Australia..... | 51.5 |
| New Zealand..... | 24.7 |
| Ireland..... | 8.2 |
| Mexico..... | 6.5 |
| Canada..... | 2.2 |
| Other countries..... | 6.9 |
| Total..... | 100.0 |

(NOTE.—At the time of writing, a category breakdown for 1962 was not available. The figure of 782.8 million pounds used in this table was estimated on the basis of the increase in all imports of beef and veal for 1962, and the FAS figure for fresh or frozen beef and veal.)

¹ Year of tariff reduction.

² Includes boneless beef and veal.

Source: U.S. Foreign Agricultural Service reports.

TABLE B.—Imports of mutton, fresh or frozen¹ (product weight basis)

[In millions of pounds]

| | |
|-------------------------|------|
| Average 1951-55..... | 0.7 |
| 1958 ² | 17.2 |
| 1959..... | 47.3 |
| 1960..... | 37.3 |
| 1961..... | 44.9 |
| 1962..... | 65.0 |

TABLE B.—Imports of mutton, fresh or frozen¹ (product weight basis)—Continued

| | |
|--|-------|
| 1961 as a percentage of 1951-55 (percent)..... | 6,414 |
| 1962 as a percentage of 1951-55 (percent)..... | 9,286 |

Percent in 1962 from:

| | |
|----------------------|-------|
| Australia..... | 97.9 |
| New Zealand..... | 1.3 |
| Other countries..... | .8 |
| Total..... | 100.0 |

¹ Practically all of the mutton imported from 1958 on was in form of boneless product—FAS reports.

² Year of tariff reduction.

Source: U.S. FAS reports.

The story of substantial increases in imports during 1962 is told in the following quotation from the February 18, 1963, issue of Foreign Agriculture (weekly magazine of the Foreign Agricultural Service, USDA):

"Imports of almost all major categories of livestock and meat products rose sharply during 1962.

"One of the most notable increases was in the imports of beef and veal, which rose 41 percent above the previous year to 971 million pounds and set a new record. Most of this meat was boneless beef from Australia, New Zealand, and Ireland. Imports of mutton, mostly boneless, at 65 million pounds were nearly double the 1961 total."

It is often contended that imports of boneless product do not exert pressure on "block" (sold fresh) beef and veal, since this type of meat is used in the manufacture of processed products only. The fallacy of this argument is evident when two important facts are considered:

1. Processed products constitute very real competition in the sale of fresh beef and veal. The availability of large quantities of imported manufacturing (boneless) beef and veal has resulted in a continuously larger proportion of processed products being offered consumers, in comparison to the volume of fresh cuts which come principally from carcasses grading USDA and Good and Choice.

2. Boning beef comes principally from old bulls and cows and from low grade steers and heifers. Without the very large volume of imports, there would be a substantial downward substitution of the cheaper cuts from carcasses of higher grades for use as boneless beef. This provides price and supply movement stimuli to the fresh beef market.

The substantial increases in imports of all beef and veal from the countries of Australia, New Zealand, and Ireland are of particular significance, as seen in table C.

TABLE C.—Imports of all beef and veal (product weight basis)

| | Australia | New Zealand | Ireland |
|-----------------------------------|------------------|-----------------|----------------|
| | Million pounds | Million pounds | Million pounds |
| Average 1951-55..... | 1.4 | 13.0 | 7.2 |
| 1958 ¹ | 16.9 | 182.0 | 23.7 |
| 1959..... | 223.9 | 160.9 | 42.0 |
| 1960..... | 144.7 | 130.7 | 43.6 |
| 1961..... | 232.2 | 154.3 | 61.1 |
| 1962..... | 444.7 | 213.6 | 70.7 |
| 1962 as a percent of 1951-55..... | Percent 31,764.0 | Percent 1,643.0 | Percent 982.0 |

¹ Year of tariff reduction.

Source: U.S. Foreign Agricultural Service reports.

In the March 11, 1963, issue of Foreign Agriculture, the Foreign Agricultural Service stated:

"Australian meat exports in 1962 set a new record with 831 million pounds. Approximately 60 percent of the exports were shipped to the United States.

"The United States received 70 percent of Australia's record shipments of beef, 48 percent of the mutton, 10.5 percent of the lamb."

The National Livestock Feeders Association submits that there is overwhelming justification in demanding action to curtail the phenomenal buildup in meat imports into the United States. Sharply lower price levels in the slaughter cattle market strongly indicate that imports have reached a volume which is definitely injurious to the domestic producer. Under the prevailing prices, many producers are losing from \$35 to \$50 per animal sold.

Imports of beef and veal are now approaching the 10-percent level of domestic production. In our opinion, a 5-percent level can be injurious to domestic producers; surely, a 10-percent level is depressing to the degree of being detrimental to the stability of the U.S. market. We have conferred with officials of the Livestock and Meat Products Division, Foreign Agricultural Service, USDA, on this subject.

The relationship between U.S. production and U.S. imports over the past 10 years is shown in tables D and E:

TABLE D.—U.S. production and imports of all beef and veal (carcass weight basis), last 10 years

| Year | U.S. production | U.S. imports (carcass weight equivalent) | U.S. imports as a percent of U.S. production |
|-------------------------|-----------------|--|--|
| | Million pounds | Million pounds | Percent |
| 1953..... | 13,953 | 271 | 1.9 |
| 1954..... | 14,610 | 232 | 1.6 |
| 1955..... | 15,147 | 229 | 1.5 |
| 1956..... | 16,094 | 211 | 1.3 |
| 1957..... | 15,728 | 395 | 2.5 |
| 1958 ¹ | 14,516 | 909 | 6.3 |
| 1959..... | 14,588 | 1,063 | 7.2 |
| 1960..... | 15,835 | 775 | 4.9 |
| 1961..... | 15,341 | 1,037 | 6.3 |
| 1962..... | 16,297 | 1,454 | 8.9 |

¹ Year of tariff reduction.

Source: U.S. Foreign Agricultural Service reports.

TABLE E.—U.S. production and imports of mutton, last 10 years

| Year | U.S. production | U.S. imports ¹ | U.S. imports as a percent of U.S. production |
|-------------------------|-----------------|---------------------------|--|
| | Million pounds | Million pounds | |
| 1953..... | 73 | 1.3 | 1.8 |
| 1954..... | 74 | .3 | .4 |
| 1955..... | 76 | .9 | 1.2 |
| 1956..... | 74 | .6 | .8 |
| 1957..... | 71 | 1.7 | 2.4 |
| 1958 ² | 69 | 17.2 | 24.9 |
| 1959..... | 74 | 47.3 | 63.9 |
| 1960..... | 77 | 37.3 | 48.4 |
| 1961..... | 84 | 44.9 | 53.4 |
| 1962..... | 81 | 65.0 | 80.2 |

¹ Excludes canned product.

² Year of tariff reduction.

Source: U.S. Foreign Agricultural Service reports.

In addition to the substantial volume of meat imports, the timing of the buildup likewise is detrimental to domestic producers. As indicated in tables D and E, imports are generally on the upswing at the same time domestic production is being increased. A satisfactory price level in the United States for livestock provides stimulus for both the importer and the domestic producer to start the buildup of the supply cycle and supplies

from both sources tend to peak together, bringing injurious pressure on U.S. market prices.

IDEAL ANSWER TO IMPORT PROBLEM

In view of the coincidental increase of U.S. production and imports into this country, a system of flexible duties and import quotas tied inversely to domestic production would constitute an ideal method of handling meat imports. Such a system would provide for a measure of protection for U.S. growers and feeders and yet allow for trade with other countries.

In the interest of providing a ready reference on trade barriers confronting the United States in exporting livestock and meat products, a brief summary of these by country is attached.

Respectfully submitted for the officers and directors of the National Livestock Feeders Association.

DON F. MAGDANZ,
Executive Secretary-Treasurer.

FOREIGN TRADE BARRIERS

NOTE.—The following is a brief summary of the trade barriers which the United States faces in the exportation of livestock, meat and meat products to other countries. Source: FAS Publication, "Prospects for Foreign Trade in Livestock and Meat," January 1963.

Argentina: Prohibits imports of sheep and cattle from the United States.

Australia: Prohibits imports of sheep and cattle from United States; also prohibits imports of U.S. hog and pork products.

Austria: The United States is excluded from most import tenders issued by Austria for meat and meat products.

Barbados: Prohibits imports of pork from the United States.

Belgium: Prohibits imports of unsterilized pork products from United States, and controls imports of a large number of meat items under import licensing procedures.

Brazil: The premiums which have to be paid plus tariff duties make the cost of U.S. products prohibitive.

British Guiana: Restricts entry of fresh pork products and import of tallow and lard; bacon and ham restricted by import permits.

Canada: On June 25, 1962, Canada levied special import taxes on most livestock and meat products; these were abolished on November 15.

Chile: High import taxes discourage entry of U.S. products.

Columbia: Bars entry of most livestock and meat products, and those not restricted are subject to high duties and to license requirements.

Denmark: Prohibits entry of pork and pork products from United States.

Egypt: Obtains large share of imports of meat products through bilateral trade agreements.

Finland: Controls the entry of most meat products by variable import fees.

France: Restricts the import of most meats from United States, primarily to maintain livestock prices to French farmers.

West Germany: Limited entry of variety meats and fatback from the United States; lard, inedible tallows and greases and cattle hides not restricted.

Guatemala: High import tariff restricts entry of meat; for example, hams are subject to 45.5 cents per pound plus 30 percent of the import value.

Haiti: Restricts meat imports by use of a luxury foodstuffs tax.

Honduras: High import duties limit volume of U.S. meat products; for example, cured pork at 45 cents per pound.

India: Prohibits import of most livestock products.

Ireland: Generally restricts entry of all livestock and meat products by requiring import licenses; lard subject to an import tax of \$11.76 per hundredweight.

Italy: Close control on imports of meats through a licensing system; quotas established for various types of meats, with amounts allowed to come in being determined in part by the level of domestic livestock and meat prices.

Jamaica: Requires specific licenses.

Luxembourg: Restricts entry of several livestock and meat products important to the United States.

Mexico: Entry of U.S. livestock and meat products restricted by several trade barriers (import permits, high duties).

New Zealand: Prohibits imports of most meats and other packinghouse products.

Norway: Prohibits import of most meat products.

Panama: Imports of lard limited by quotas; duty on U.S. lard is 100 percent ad valorem.

Peru: Has increased its import duty on lard and tallow.

Federation of Rhodesia and Nyasaland: Requires import licenses, and imports are confined to such products as tallow, sausage casings, mutton and some canned meats.

Spain: All meat imports are purchased by the Government's National Supply Commission, which controls the amounts received and their origin.

Sweden: Regulates imports of meat and meat products by licenses and import tariffs; tariffs are flexible and are raised to reduce imports when domestic prices are low.

United Kingdom: Technically approves entry of pork originating in 44 States; most U.S. canned meats are banned by dollar restrictions; no restrictions on imports of frozen carcasses and variety meats.

Venezuela: In December 1962 this country suspended imports of pork to permit hog prices to rise.

Yugoslavia: Has a flexible control system which adjusts imports and exports according to domestic situation and price conditions.

EUROPEAN ECONOMIC COMMUNITY

Several significant developments regarding EEC meat policy occurred during 1962.

Beef and beef variety meats: Entry will require import certificates which can effectively limit trade. Frozen beef variety meats have been bound in GATT at 20 percent. Presently, rates are below this figure in most countries and the gradual increase in duties will be a limiting factor.

Pork and pork variety meats: Subject to a complex levy and gate price system. Frozen pork variety meats have been bound in GATT at 20 percent. Present tariffs from most countries are below this figure and gradual increase in duties will be a limiting factor.

Lard: Subject to complex import levy and gate price system. The extent of these levies is not known; however, any increases will undoubtedly limit U.S. exports.

Tallow and greases: Tariff for this commodity has been bound at 2 percent ad valorem. EEC beef policy requires import certificates for tallow. Inedible hog grease has been bound in GATT at 3 percent.

Hides and skins: Duty has been bound at zero and no restrictive features are expected.

Sausage casings: Not expected to be materially affected by current EEC policy.

Mohair: EEC countries do not levy import duties on raw mohair.

LEGISLATIVE RESOLUTION 25

Whereas this legislature wishes to focus the attention of the Nation and the Federal Government upon the probability that the

rising volume of imports of mutton, pork, beef, and veal into the United States has been a factor in contributing to the serious decline of livestock prices; and

Whereas the imports of beef and veal, product weight, for the 11-month period of January through November of 1962, totaled 884 million pounds, which volume was equal to 9 percent of the U.S. production of beef and veal during this same period and represented a 39-percent increase from the 635 million pounds of beef and veal imported during the same period in 1961; and

Whereas the imports of pork for the first 9-month period of 1962, totaled 151,464,000 pounds, which volume was 22 percent greater than during the same period in 1961. Pigskin imports during the first three quarters of the year 1962 were up 150 percent; and

Whereas imports of all red meats during the first three quarters of 1962 were up 36 percent: Now, therefore, be it

Resolved by the members of the Nebraska Legislature in 73d session assembled:

1. That the Nebraska Legislature hereby petitions the executive branch of the Federal Government, the Senators and Congressmen from Nebraska to exercise their authority immediately under the powers and privileges granted in Public Law 87-794, and to further consider the wisdom of flexible quota of imports to balance the consumptive need, in relation to U.S. domestic production; and

2. That action be taken immediately because the situation is unusually serious and requires correction at the earliest possible moment; and

3. That copies of this resolution be transmitted by the clerk of the legislature to the President of the United States, and to each Member from Nebraska in the U.S. Senate and in the House of Representatives.

DWIGHT W. BURNEY,
President of the Legislature.

I, Hugo F. Srb, hereby certify that the foregoing is a true and correct copy of Legislative Resolution 25, which was passed by the Legislature of Nebraska in 73d regular session on the 18th day of March 1963.

HUGO F. SRB,
Clerk of the Legislature.

Mr. CURTIS. Mr. President, I yield back the remainder of my time.

Mr. ELLENDER. I yield back the remainder of my time.

The PRESIDING OFFICER. All time for debate has expired. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. CURTIS] for himself and other Senators. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the minority leader, the junior Senator from Illinois [Mr. DIRKSEN]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. BYRD], the Senator from California [Mr. ENGLE], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PELL], the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that, if present and voting, the Senator from Virginia

[Mr. BYRD], the Senator from California [Mr. ENGLE], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PELL] would each vote "nay."

On this vote, the Senator from Utah [Mr. MOSS] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Utah would vote "nay" and the Senator from Colorado would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Illinois [Mr. DIRKSEN], and the Senator from New York [Mr. JAVITS] are necessarily absent.

The pair of the Senator from Illinois [Mr. DIRKSEN] has been previously announced.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Utah [Mr. MOSS]. If present and voting, the Senator from Colorado would vote "yea" and the Senator from Utah would vote "nay."

If present and voting the Senator from New York [Mr. JAVITS] would vote "nay."

The result was announced—yeas 28, nays 61, as follows:

[No. 75 Leg.]

YEAS—28

| | | |
|-----------|---------------|----------------|
| Aiken | Hickenlooper | Prouty |
| Beall | Hruska | Saltonstall |
| Bennett | Jordan, Idaho | Simpson |
| Boggs | Kuchel | Smith |
| Carlson | Long, Mo. | Symington |
| Cotton | Mechem | Thurmond |
| Curtis | Miller | Tower |
| Dominick | Morton | Williams, Del. |
| Fong | Mundt | |
| Goldwater | Pearson | |

NAYS—61

| | | |
|--------------|--------------|----------------|
| Anderson | Hart | Metcalfe |
| Bartlett | Hartke | Monroney |
| Bayh | Hayden | Morse |
| Bible | Hill | Nelson |
| Brewster | Holland | Neuberger |
| Burdick | Humphrey | Pastore |
| Byrd, W. Va. | Inouye | Proxmire |
| Cannon | Jackson | Randolph |
| Case | Johnston | Ribicoff |
| Church | Jordan, N.C. | Robertson |
| Clark | Keating | Russell |
| Cooper | Kennedy | Scott |
| Dodd | Lausche | Smathers |
| Douglas | Long, La. | Sparkman |
| Eastland | Magnuson | Stennis |
| Edmondson | McCarthy | Talmadge |
| Ellender | McClellan | Williams, N.J. |
| Ervin | McGee | Young, N. Dak. |
| Fulbright | McGovern | Young, Ohio |
| Gore | McIntyre | |
| Gruening | McNamara | |

NOT VOTING—11

| | | |
|-----------|-----------|------------|
| Allott | Javits | Muskie |
| Byrd, Va. | Kefauver | Pell |
| Dirksen | Mansfield | Yarborough |
| Engle | Moss | |

So the amendment offered by Mr. CURTIS, for himself and other Senators, was rejected.

Mr. ELLENDER. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMINICK. Mr. President, I call up amendment No. 73 and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, line 7, it is proposed to strike out the

period immediately after "1962" and insert in lieu thereof a colon and the following:

Provided further, That no producer of Moravian barley shall be required as a condition of eligibility for price support on any feed grain other than Moravian barley to participate in an acreage diversion program for such barley.

On page 9, line 21, strike out the period after "1960" and insert a semicolon in lieu thereof and the following: "and notwithstanding any other provision of this subsection, the acreage diversion program provided for herein shall not apply to Moravian type barley."

Mr. DOMINICK. Mr. President, on the question of agreeing to this amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. DOMINICK. Mr. President, I ask that my name be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

How much time does the Senator from Colorado yield to himself?

Mr. DOMINICK. Fifteen minutes.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 15 minutes.

Mr. DOMINICK. Mr. President, I believe this amendment not only has real importance to my own State, but also relates to an intrinsic principle involved in connection with the bill.

A the present time, Moravian malting barley, as such, is a wholly distinct type of barley. It is used in the brewing of beer. Yet it has been included within the generic term of "barley"; and, as such, farmers who are producing this type of barley for a particular purpose are said to have to comply with the terms of the program, or that they may have to comply with the terms of the program, if they are to go into the program on their other types of crops. This is the reason for trying to obtain an exemption in this case.

The senior Senator from Colorado [Mr. ALLOTT], who prepared this amendment, and who unfortunately is unable to be present today, has asked me to present the amendment to the Senate as an example of some of the problems we have in this field when we try to point out the principles involved and to show the merits of such an amendment.

On May 9, the senior Senator from Colorado [Mr. ALLOTT], announced that he intended to offer an amendment to this particular bill.

Moravian Malting barley is grown and is used almost exclusively within the State of Colorado. My colleague [Mr. ALLOTT], has already pointed out that in 1960, according to figures furnished him by the Department of Agriculture, the only States, other than Colorado, growing any malting barley were Montana, with eight-tenths of 1 percent of the total acreage of barley planted, and Wyoming, with 3.6 percent of the total acreage of barley planted.

Even more recently it has been shown that Colorado is the only State reporting any figures on Moravian Malting barley.

There are 1,312 Colorado farmers who now are growing a specified number of bushels of Moravian barley for purchase exclusively by the Adolph Coors Co., for use as Malting barley. This special brand of barley is kept out of the feed channels and is not used in any way as a feed grain.

There in my files letters which would indicate that the increased use of this particular type of barley has had the effect of reducing the production of barley which otherwise would go into the ordinary market and would become one of the surplus crops which are intended to be dealt with by this bill.

Mr. HOLLAND. Mr. President, will the Senator from Colorado yield?

Mr. DOMINICK. I am delighted to yield.

Mr. HOLLAND. Is the sale price per bushel for this type of barley the same or comparable to that for the ordinary type of barley?

Mr. DOMINICK. No, it is not; it is considerably higher. It is \$3.25 a hundredweight; and it is purchased by the Coors Co. It costs a considerable amount to grow. The seed is processed and is specifically sold by the Coors Co. to specific farmers under contract. So there is not the problem which I suspect would otherwise confuse many members of the Department of Agriculture and perhaps some Senators, as to which barley was of which kind. These farmers have specific contracts. The seed is sold to the farmers by the Coors Co. All this is done under contract.

It is true that under section 2, subsection (1) (d) of House bill 4997, it is already provided:

The Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the acreage diversion program for feed grains if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, does not knowingly devote an acreage on the farm to corn and grain sorghums in 1959 and 1960, and does not devote any acreage devoted to the production of oats and rye in 1959 and 1960 to the production of wheat pursuant to the provision of section 328 of the Food and Agriculture Act of 1962.

Mr. President, even if I read that particular provision 20 times, I could still be highly uncertain as to whether I would receive an exemption on the Moravian malting barley; and I am certain that the same would be true among the farmers of our area and also among Senators.

In the past, the Secretary of Agriculture has exempted Moravian barley from the operation of the feed-grain program. However, in 1963 the Secretary did not exempt this unique kind of barley. This amendment would tend to correct that situation.

As I have said, Moravian malting barley, which is a specific kind, is not a feed-grain and does not contribute to any form of surplus. The 1,312 farmers in Colorado are really to be commended,

for they have developed a good cash crop and an adequate market for it. The Coors Brewery, at Golden, Colo., paid just over \$5 million for malting barley and certified seed delivered into Golden, Colo., in 1962. Of a total crop of 2,243,000 bushels harvested, all but 43,000 bushels or 1.92 percent of the Moravian barley was purchased by the Coors Brewery. The remaining 43,000 bushels were not taken, for various reasons, such as frost damage, failure to meet malting standards, and requests by growers asking to keep some small amounts for special uses.

It seems to me that this is a unique example of what happens when we get the Government into the middle of programs of this type. Everyone has said this is a voluntary program. Many have asked, "Why worry about this exemption, when the Secretary is given the opportunity to exempt this type of grain, under this measure." But it is only a voluntary right on his part, and it has not been exercised this year; and the right itself is so conditioned that I would say, to use an historical term, that even a Philadelphia lawyer would have problems in trying to ascertain what conditions a farmer would have to meet in order to be eligible for the exemption. So we are in a really difficult spot in connection with this situation.

Mr. President, if I though I was merely "spinning my wheels," so to speak, or that I was only trying to delay the bill, or bring in something not relevant to this measure, I would have very sharp concern about taking the time of the Senate to consider this amendment. But the amendment is extremely important, not only to our State, but also as regards the ability of farmers to develop cash crops and to develop markets for them, when the crops are not in surplus, and to be permitted to grow them without suffering penalties imposed by the Department of Agriculture.

That is the point I am trying to make. No matter what we think about the pending bill from the standpoint of whether it is good or bad for the income of farmers, the necessary conditions that are attached to participation in the program mean that the Federal Government is in every phase of the farmer's life, from beginning to end. The malting barley situation is a classic example of that very problem.

On this very point, I have in my file letters which have been coming to me over a period of many months, including letters from individual farmers who are concerned about their ability to participate in the program unless they are given an exemption for Moravian Malting barley. These farmers are not ordinary general farmers, but they are located in Colorado in three particular areas. One group of them is located in an area which has more difficulty in being able to stay on a stable economic plane than any other area in Colorado, because it is required to put agricultural products into ground which starts at an elevation of 7,500 feet. Their growing season is so short that they are re-

stricted in the types of crops that they can grow. Moravian Malting barley is one crop for which they have been able to develop a market.

Another group of farmers is on the western slope of Colorado. A third is on the eastern slope, where there is not the necessary irrigation water to provide cash crops of other sorts. So, Malting barley has done a great deal of good.

I have also received letters from the county commissioners. The boards of various counties have passed resolutions advocating that Moravian Malting barley be exempted from any feed grains program that is adopted, because it is not a feed grain as such. It is not in surplus. It is a cash crop that does the farmer some good, and there is no need to have it included in this type of bill.

I am sure that my distinguished colleague the Senator from Louisiana [Mr. ELLENDER], would ordinarily accept this kind of amendment. But in the apparent frantic drive to pass the bill, I gather that consideration of the amendment was postponed, it was not taken up, or the amendment was simply voted down. I really do not know what happened to it in committee, to be perfectly truthful with the Senate. But it seems to me that the amendment is the type of amendment which goes to the very merits of Government interference in agricultural products.

Unless we can adopt the amendment, farmers who would like to participate in the program will not be able to do so without severe penalty, and we will be jeopardizing a cash crop which a manufacturer and farmers themselves have been able to develop to the very great benefit of the people of Colorado, and to the overall benefit of the surplus problem in the barley industry.

Mr. President, I reserve the remainder of my time.

Mr. ELLENDER. Mr. President, it would be very nice for those who grow Moravian barley to be exempt from the bill. Should the barley be a crop that the malters desire, the malters, of course, would buy it. But in the event that it turned out not to be of a malting variety, which often happens, the Federal Government would be bound under the law to take it over as feed grains.

Moravian barley was recognized by the Department of Agriculture as an acceptable malting variety under the 1962 feed grain program. Supplies of all barley increased sharply after the 1962 harvest and the exception was not in effect for 1963. While Moravian barley is planted for the purpose of supplying maltsters, it is also usable as feed—just as are other malting varieties.

The legislation now under consideration contains authority for the Secretary to permit malting barley producers to plant 110 percent of their 1959-60 acreage and still provide price support, if producers comply with other provisions of the program. That is, if they keep within their allotted areas on other feed grains.

Since Moravian barley is an acceptable variety, farmers who produce this variety are extended the same privilege

as other farmers who produce malting barley. If malting barley is in short supply, the exemption would be in effect. The amendment, however, would completely exclude Moravian type barley from the diversion program, so that producers of that type of barley might produce all they desire and still obtain the support price provided by the bill.

As I have pointed out, if the barley turned out to be usable only for feed grains, the Federal Government would be saddled with the barley as a feed grain and would have to extend price supports on it.

If barley supplies are adequate, it would not seem appropriate for one variety to be excluded from the program. This would hardly be fair to farmers who grow other malting varieties, or to producers of feed barley since Moravian, like other malting varieties, can also be used for feed. Whether or not the Secretary exempts malting barley from the feed grain program, it should be noted that the legislation provides for a completely voluntary program. Every producer is free to participate or not to participate in this program. But if the Moravian barley growers desired, they could plant all the feed grains they wished. The only thing they would not receive, of course, would be price support.

If he elects not to participate, he can plant as much barley as he likes. Where a producer feels there is a good chance his production of a malting barley variety will command a price greater than the support price, it seems to me he would elect not to participate and plant from fence-row to fence-row.

Another fact should be faced up to. Maltsters who feel that a variety they desire will be in short supply can contract for the desired production and guarantee growers a price. Actually, it is my understanding that Moravian barley is grown in a rather limited area and that most of it has been grown under contract in the past.

Relatively few producers will benefit from the proposed amendment, in all probability. One or two maltsters or brewers may benefit, since they will be assured of an adequate supply of Moravian barley at a lower price than they might have to pay if they contracted for it. The excess quantity grown could then be turned over to the Government at the support price and CCC stocks expanded. But the purpose of the proposed legislation is to make possible the reduction of Government grain stocks, not increase them. I do not believe this amendment would be consistent with the purposes of the legislation.

Neither do I believe the exemption of a single variety would be fair to the thousands of farmers who grow other varieties of malting barley. This is a matter which would need to be studied—this and the effect on the total supply of feed barley. Possibly hearings would need to be held. This is a way to hold up consideration of the legislation, but this legislation was reported out of Committee promptly as has been emphasized by quite a few Senators because wheat growers need to know the degree of flexi-

bility that will be accorded them in 1964 before voting in referendum on May 21.

Since Moravian is an acceptable malting variety, since the bill provides authority for equal treatment of all barley producers, since this amendment would require study which would unnecessarily delay legislation and make it difficult for wheat producers to vote intelligently on the alternatives offered, I submit that this amendment should not receive a favorable vote.

Mr. DOMINICK. Mr. President, I do not wish to detain the Senate on this particular question too long, but it seems to me that some of the comments which were made by the distinguished chairman should be answered.

As I said in my opening remarks, Moravian malting barley consists of seed which is distributed and sold by the Coors Co. under contract, so that it is not dedicated for use as a feed grain. That is the first point.

The second point involves the question of who is or is not to be benefited.

I refer the distinguished chairman to the situation in which, suddenly, we might find it possible, on rye land, to start growing sesame, or sunflower, or guar, or some of the other products which were not in surplus and which were an anticholesterol type of oil. We finally got these under the bill, so that they could be grown without penalizing a person with respect to participation in the program, except that the farmers would not get quite as much for the diverted acreage as for the other program.

We have already done something in Congress to try to show to a farmer that, if he can develop a good cash crop which is not in surplus, we do not wish to penalize him for doing that. Unless we accept the amendment at this time, we shall leave it totally to the discretion of the Secretary of Agriculture as to whether the farmer will be penalized for trying to develop a cash crop which he can plant, which is not in surplus, from which he can make some income.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. DOMINICK. I yield.

Mr. ELLENDER. The Senator knows that there are six or seven crops which can be planted now, under the terms of the bill.

Mr. DOMINICK. That is correct.

Mr. ELLENDER. The Senator should not overlook the fact that on those crops the farmers would not get a price support. What I object to is that the Senator desires to allow Moravian barley to be planted in any quantity desired and still obtain price supports. That is the difference in our thinking.

Mr. DOMINICK. Under the amendment the barley would be exempted, and the farmer would get price supports on other crops, not on the Moravian malting barley. That is under contract. The farmers get more money from it from the Coors Co. than they would ever get under a price support program.

The purpose of the amendment is to try to show that there is a difference between types of barley. That is the whole point.

I think the chairman is not quite accurate, if my understanding is correct. What we would try to do is to say that farmers would not be penalized for the remainder of their crops because they grow this type of barley. It seems to me only justice that this type of program should be put into effect.

I hope that answers the chairman's question?

Mr. ELLENDER. Is it the Senator's opinion that if a farmer planted all he desired, and it developed that the barley was not suitable for malting, the farmer would not get a price support?

Mr. DOMINICK. It is my understanding that if the farmer grew barley which was not acceptable to the Coors Co., even though he had the seed, he would have to use it on his farm, or it would not be included in the terms of the bill.

Mr. ELLENDER. The Senator should read his amendment again, because our counsel states that if the malting barley of the Moravian type were turned down for use by maltsters it would be entitled to price supports.

Mr. DOMINICK. That is quite interesting, because it has been exempted under the 1961 and 1962 crops. In those cases, there were only 43,000 bushels out of the whole amount grown which were rejected. Those were used for animal feed or something like that by the farmers on the farm, with no price support at all.

This is not a crop that one markets, so that problem does not exist, so far as I can see.

It seems to me, the way we are proceeding now, that all we would do would be to provide authority for the Secretary of Agriculture. The Secretary of Agriculture could decide the question on the basis of any reason—not enough pressure, not enough attention given him, or something else, or merely because he did not wish to take action—and then we would be penalizing people who are seriously trying to be of assistance in the process of solving the farm production problem now existing.

The PRESIDING OFFICER. Who yields time?

Mr. ELLENDER. Does the Senator from Colorado wish to yield back his remaining time?

Mr. DOMINICK. Yes. Mr. President, I yield back by remaining time.

Mr. ELLENDER. I yield back my remaining time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. DOMINICK]. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Alabama [Mr. HILL], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that, if present and voting, the Senator from Virginia [Mr. BYRD], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], and the Senator from Texas [Mr. YARBOROUGH] would each vote "nay."

On this vote, the Senator from Alabama [Mr. HILL] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Alabama would vote "nay," and the Senator from Colorado would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Illinois [Mr. DIRKSEN], and the Senator from New York [Mr. JAVITS] are necessarily absent.

The pair of the Senator from Illinois [Mr. DIRKSEN] has been previously announced.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Alabama [Mr. HILL]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Alabama would vote "nay."

If present and voting, the Senator from New York [Mr. JAVITS] would vote "yea."

The result was announced—yeas 30, nays 61, as follows:

[No. 76 Leg.]

YEAS—30

| | | |
|----------|---------------|----------------|
| Alken | Fong | Morton |
| Beall | Goldwater | Pearson |
| Bennett | Hickenlooper | Prouty |
| Boggs | Holland | Saltonstall |
| Carlson | Hruska | Scott |
| Case | Jordan, Idaho | Simpson |
| Cotton | Keating | Smith |
| Curtis | Kuchel | Thurmond |
| Dominick | Mecham | Tower |
| Eastland | Miller | Williams, Del. |

NAYS—61

| | | |
|--------------|--------------|----------------|
| Anderson | Hartke | Morse |
| Bartlett | Hayden | Mundt |
| Bayh | Humphrey | Nelson |
| Bible | Inouye | Neuberger |
| Brewster | Jackson | Pastore |
| Burdick | Johnston | Pell |
| Byrd, W. Va. | Jordan, N.C. | Proxmire |
| Cannon | Kefauver | Randolph |
| Church | Kennedy | Ribicoff |
| Clark | Lausche | Robertson |
| Cooper | Long, Mo. | Russell |
| Dodd | Long, La. | Smathers |
| Douglas | Magnuson | Sparkman |
| Edmondson | McCarthy | Stennis |
| Ellender | McClellan | Symington |
| Engle | McGee | Talmadge |
| Ervin | McGovern | Williams, N.J. |
| Fulbright | McIntyre | Young, N. Dak. |
| Gore | McNamara | Young, Ohio |
| Gruening | Metcalf | |
| Hart | Monroney | |

NOT VOTING—9

| | | |
|-----------|-----------|------------|
| Allott | Hill | Moss |
| Byrd, Va. | Javits | Muskie |
| Dirksen | Mansfield | Yarborough |

So Mr. DOMINICK's amendment was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SIMPSON. Mr. President, I call up my amendment, which I sent to the desk this morning.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 12 and at the end of the bill it is proposed to add the following new section:

SEC. 5. That paragraph 701 of the Tariff Act of 1930 (19 U.S.C., sec. 1001, par. 701) is amended by inserting "(a)" before "Cattle" and by adding at the end thereof the following new subparagraph:

"(b) (1) In addition to the rates of duty provided for in subparagraph (a), there are hereby imposed on the following articles entered, or withdrawn from warehouse, for consumption during any calendar year in excess of the annual quota for each such article prescribed by paragraph (2), rates of duty as follows:

"(A) Cattle, weighing less than seven hundred pounds each, 5 cents per pound;

"(B) Cattle, weighing seven hundred pounds or more each, 6 cents per pound; and

"(C) Beef and veal, fresh, chilled, or frozen, 12 cents per pound.

"(2) For purposes of paragraph (1), the annual quota for each of the articles described in paragraph (1) is a quantity equal to the average annual quantity of such article imported during the 5-year period ending on December 31, 1962; except that the annual quota for the unexpired portion of the calendar year in which this subparagraph becomes effective shall be a quantity equal to such average annual quantity reduced by an amount equal to one-twelfth thereof for each full calendar month that has expired in such year prior to the effective date of this subparagraph."

(3) The amendment made by the fifth section of this Act shall take effect as soon as practicable on a date to be specified by the President in a notice to the Secretary of the Treasury following such negotiations as may be necessary to effect a modification or termination of any international obligation of the United States with which the amendment might conflict, but in any event not later than sixty days after the date of enactment of this Act.

Mr. SIMPSON. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. SIMPSON. Mr. President, yesterday my good friend the Senator from Nebraska [Mr. CURTIS] stated that 60 percent of the income in his State came from the sale of livestock. In the May 14 Wall Street Journal I noticed that Iowa had lengthened its lead as the Nation's No. 1 meat processor. Minnesota took over the No. 2 spot from Illinois which is now third. Livestock is an important element in the economies of these fertile farm States; not because they raise cattle, but because they feed cattle. Wyoming and the other great grassland States raise the cattle and ship them to the great Midwest for fattening. The cattle industry is important to these Midwestern States because the feed grains of America are grown in their fertile lands. Wherever we have feed, we will have livestock. That is why the one who controls the feed grains will control the livestock industry. The two are inseparable and it would

be unfair for the Senate to pass legislation which would control the growing of feed grains without giving adequate protection to the cattle industry in the way of a quota which would limit the beef and veal imports to this country.

Mr. President, the cattlemen of this country are presently being threatened by the excessive beef imports which are flooding our country. To meet this threat I offer an amendment to this feed grain bill, H.R. 4997, which will establish an annual quota. The annual quota will be an amount equal to the average annual quantity of beef imported during the 5-year period ending on December 31, 1962. The beef imports making up this quota will be taxed at the present rate. Imports coming into this country in addition to this quota will be subject to a duty three times the present rate.

If this amendment is adopted, our country can continue to import a reasonable quantity of beef to meet the supplemental beef needs that we do have; and, yet, the amendment would curtail the excessive imports of beef and veal which pose such a threat to the cattlemen.

The Foreign Agriculture Service Division of the Department of Agriculture has informed me that the beef and veal imports have increased 41 percent in the last year from 689.1 million pounds in 1961 to 970.9 million pounds in 1962. Total red meat imports have increased 36 percent in the last year from a 1961 total of 918.7 million pounds to 1,252,900,000 pounds in 1962. Live cattle imports are up about 20 percent. On the other hand, beef and veal exports have decreased by 9 percent.

The cattle industry is in a precarious position. Presently our cattle inventories are at a high level. If the cattlemen were forced to liquidate part of their herds due to widespread drought, as has happened in the past, the excessive imports of beef and veal would exert an extraordinary downward pressure on the price of cow beef. Imports of this quality, that is processing beef, equal about one-third of the domestic production. Approximately 10 percent of all beef and veal consumed in the United States is imported. I feel that some protection is needed for the cattle industry, as do many of my colleagues here in the Senate.

The amendment is supported by the National Cattlemen's Association and many cattlemen's associations of the Western States.

In 1960 the per capita civilian consumption of beef and veal in the United States was 91.4 pounds. Four and four-tenths pounds of this was imported meat. In 1962 the per capita consumption was 95.4 pounds and 8 pounds of that total was imported beef. Total meat consumption increased 4.3 percent while the consumption of imported beef increased 81.8 percent. I feel that this comparison makes it crystal clear that the growing quantities of beef imports to this country are a serious threat to the cattleman.

In 1930 this need for protection was realized and, in the Tariff Act of that

year, duties were placed on beef imported to this country. In 1947 these duties were cut in half.

In the 87th Congress the peril point amendment to the Trade Act was narrowly voted down. This was a great blow to the cattlemen of the western area of our country.

The Tariff Act of 1930 placed a 6-cent duty per pound on all beef imported to this country with no limitation on the quantity of beef that could be imported. This tariff or duty equaled 58.4 percent of the value of the domestic product. In 1962 the protection afforded the cattle industry by the tariff equaled 9.5 percent of the value of the domestic product. I think that this is another dramatic illustration of the need for further restrictions on cattle and beef imports.

Mr. President, I believe that there is a clear and present danger confronting the cattlemen of America. I feel that it is imperative that remedial legislation be enacted which would give the proper protection to the Nation's interests and yet permit an adequate supply of beef imports into this country to satisfy our requirements. It is for these reasons that I ask for support in adopting this amendment to the feed grains bill of 1963, H.R. 4997.

I reserve the remainder of my time.

Mr. McGEE. Mr. President, will the Senator yield?

Mr. SIMPSON. I yield to my colleague from Wyoming.

Mr. McGEE. I commend the distinguished junior Senator from Wyoming for his interest in this part of our State's economy, which is fundamental to the well-being of the western part of the United States.

Is the amendment which is now being presented the same as the measure of which the Senator and I are cosponsors?

Mr. SIMPSON. The Senator is correct.

Mr. McGEE. With that fact made clear on the Record, I should like to suggest to my colleague that, in my judgment, this may not be the most propitious occasion for putting forward this proposed legislation, which is very important for the State of Wyoming.

The amendments which have been offered in the past few hours have been rather substantially defeated. I consider the measure which he has introduced and I have cosponsored to be of such economic importance to our State that I would be reluctant to see its ultimate passage jeopardized by being attached to the feed grain bill. It seems to me that whatever representation we may get in the Senate—and I understand the yeas and nays have been ordered on the amendment—will result in a further statistic detracting from the importance of the measure because of the possibility of it being defeated at this time.

I hasten to add that if my colleague presses the amendment he has offered, I shall vote for it because of what is at stake in it. Nevertheless, it is obviously not the mood of this body to accept an amendment of this type to the pending bill. In the interest of the cattle industry

of Wyoming, I sincerely request that the Senator consider withdrawing the amendment at this time, so that we might, as we always try to do in the interest of our State, put this proposal forward as a measure in its own right, uncluttered and unfuzzed by the issues at stake in the feed grain bill. Would the Senator be willing to give the amendment that kind of consideration?

Mr. SIMPSON. I thank the Senator for his observation. I know he is cognizant of the fact that, in a recent report, our bill was opposed by all the agencies of the Government, and that the prospects of its passage seem to be rather remote.

It seems to me that every possibility should be utilized to help the livestock industry in the West, as my senior colleague has so ably pointed out. Therefore, I think it best that the amendment to be offered to the bill at hand, in order that we may have at least two strings to our bow.

I am sure that the committee which will handle the bill which we have cosponsored, and which the senior Senator has so ably represented, will give it full consideration. I am also sure that he will do everything in his power to have the bill reported favorably by the committee.

Mr. McGEE. We are in agreement that the measure is of extreme importance. I understand the point of the Senator's suggestion, which is that because the agencies of the executive department have turned thumbs down on our bill, this is another way to obtain action on the proposal.

I submit, based on the record of the Senate today, that what we shall end with in this case is still another "thumbs down." That will only compound our difficulty in properly placing the proposal before the Members of this body and the executive agencies, as well. That is why I was hopeful that the Senator might possibly consider withdrawing the amendment. Then we could try to approach the problem from another direction, in another way, without having it carry the extra implication of a further rejection on the part of the Senate.

Mr. SIMPSON. I share the concern of my colleague; but I have grave doubts of any proper consideration of the cattle industry at this session of Congress. Nevertheless, I intend to work with might and main to perfect the proposal. I am sure the senior Senator from Wyoming will, too.

This proposal provides an additional opportunity for the Senate to assist the cattle and livestock industry of the West. In light of that fact, I would have great hesitancy in withdrawing the amendment.

Mr. McGEE. If I may add this statement, I wish that we might have a vote in the Senate on the question of what we shall do for the livestock industry. But I submit that that would not be the issue if we were to vote on the Senator's amendment at this time. However, I understand my colleague's position and his interest in pressing the amendment.

Under those circumstances, I shall have no more to say on the amendment.

Mr. DOMINICK. Mr. President, will the Senator from Wyoming yield?

Mr. SIMPSON. I yield.

Mr. DOMINICK. Again, I congratulate the Senator from Wyoming on bringing up a very important issue. If my memory serves me correctly, I believe the chairman, in reply to a question, stated that there was nothing in the feed grain bill which had to be put into effect before next Tuesday. On the other hand, he said no amendments would be accepted because the measure should be put into effect. I did not understand those two comments, to begin with.

Secondly, the beef problem, which relates to the feed grain program, has been an urgent one for many months, has it not?

Mr. SIMPSON. It has.

Mr. DOMINICK. Therefore, it seems imperative to me, in connection with the statement of the Senator from Wyoming, that this measure be brought up as soon as possible, so that we may have a decision as to whether we shall try to take action to solve the urgent problem confronting the livestock industry. I am sure that that is what the Senator had in mind in calling up the amendment at this time.

Mr. SIMPSON. The Senator from Colorado is entirely correct. I did not understand the pronouncement made by the majority leader, either. By the same token, it seems to me that if we can point up the problem at this time, in the hope that the amendment will be accepted in the bill at hand, well and good. If not, then at a subsequent hearing on the bill, of which the junior Senator from Colorado is one of the cosponsors, we will have pointed up the problem to such an extent that there will be more likelihood of passing the bill then. I thank the Senator from Colorado for his observation.

Mr. HICKENLOOPER. Mr. President, will the Senator from Wyoming yield?

Mr. SIMPSON. I yield.

Mr. HICKENLOOPER. I congratulate the Senator upon offering the amendment. The livestock industry of this country is one of prominence and importance. I think its problems are pretty well known.

This is a square-cut issue: Do we wish to curtail the industry or not? The amendment offered by the junior Senator from Wyoming is a vehicle which offers the means of assisting the livestock industry.

Do we mean it when we say that we want to give further protection to the livestock industry and livestock resources in this country? Or do we want to do some international hanky-panky by letting large amounts of these products come into our country? That is the issue. Is the administration, for State Department trading purposes, resisting measures such as the one which the junior Senator from Wyoming is proposing? Is that the real purpose of opposing the amendment? It looks as though it might be.

The junior Senator from Wyoming is to be commended for offering the amendment. In the interest of the livestock industry of the country, I believe the amendment should be adopted.

If the amendment were adopted by the Senate and if there were found to be objection to it, for various reasons, there is no reason why that situation could not be taken care of in conference, if there were sound objection to the amendment. This is not the alpha and omega. I believe the Senator from Wyoming has a good amendment, and I believe it is one in which the livestock producers are vitally interested.

So it is rather specious to argue, "Let us do this at some other time." Mr. President, now is the time for Senators to vote on this amendment; so the argument, "Oh, we will do it some other time" does not constitute a very strong reed on which to lean. We have been discussing this subject from some time, and I think the Senator from Wyoming is entitled to have his amendment adopted.

Mr. SIMPSON. I thank the Senator from Iowa.

I also point out that the precipitate action taken on this bill is anathema to the cattlemen of the West. It is one of their hopes that this amendment will be attached to the bill. I have yet to understand the reason for the haste. In one breath we are told that it is because the wheat referendum will come up on May 21, but in the next breath it is said that it is not necessary to have the bill passed by that time.

By the same token, the Senator from Iowa will recall that in the 87th Congress, when the peril-point amendment to protect the producers of the West was taken up, it was rejected by a slim margin.

This is an opportunity to promote the livestock industry of the West, which so sorely needs protection; and I will leave no stone unturned in that connection. It is the one industry in the West which has operated without subsidy and which has governed itself with precision and with great astuteness.

I appreciate the comments of the Senator from Iowa. He comes from a great State which is very busy with the processing of our western cattle. As he knows, many of our cattle are sent to Iowa.

Mr. HICKENLOOPER. Yes, the cattle industry is, indeed, one of the remaining industries which operates on the philosophy of private enterprise and free enterprise, and thus can stand on its own feet, whereas in the Government there are some who think that is a bad thing, and think the term "private enterprise" is a reproach, and believe it necessary for the Government to have control, and believe it necessary that there be Government manipulation.

However, I still think the majority of the American people realize that private enterprise and private initiative built this country—although on occasion they do not have a voice in making the determinations.

Mr. President, I commend the Senator from Wyoming on his amendment.

Mr. SIMPSON. I thank the Senator from Iowa.

Mr. McGEE. Mr. President, will my colleague yield for a question?

Mr. SIMPSON. I yield.

Mr. McGEE. I join my colleague in hoping that Senators will have an opportunity to stand up and vote on the question of helping the cattle industry.

Mr. HICKENLOOPER. Mr. President, that opportunity is provided by this amendment.

Mr. McGEE. I should like to know whether, if the amendment is adopted, we shall have the cooperation of those who are interested in helping the cattle industry, so that a favorable blow may be struck for the benefit of the cattlemen of the West.

Mr. HICKENLOOPER. Mr. President, that is one of the forensic devices used on this floor, as the Senator knows, in the hope of embarrassing the other side.

Mr. McGEE. I am only working for the cattle industry; I am not trying to embarrass anyone.

Mr. HICKENLOOPER. This bill is a feed grains bill in its entirety, in all of its four corners, and I believe it is the worst agricultural bill ever proposed to the American people—for various reasons, including the fantastic discretion given to the Secretary of Agriculture under the proposed alteration of existing laws, and so forth.

If the bill is to be passed—regardless of whether I shall vote for it—it should be made as good a bill as possible, even though at the time of passage I may not approve of the bill in its entirety.

Mr. McGEE. Then would it be fair to conclude, in terms of priorities, that a vote for the cattle industry in general, by means of the amendment my colleague is sponsoring, would very likely be repudiated by a vote against the bill as a whole?

Mr. HICKENLOOPER. Not at all. I think a vote on the amendment of the Senator from Wyoming will be a direct vote on the interests of the cattle industry. If the amendment is made a part of a generally bad bill, then Senators must determine whether, finally, they wish to vote for the entire bill.

But on the merits of the amendments as they come up, each amendment stands on its own feet.

This amendment does not necessarily control the bill one way or the other; but I hope the amendment is made a part of the bill, so that if the bill does pass, it will be better than it otherwise would have been.

Mr. AIKEN. Mr. President, will the Senator from Wyoming yield?

Mr. SIMPSON. I yield.

Mr. AIKEN. I assure the Senator from Wyoming that if the bill is satisfactorily amended, I shall certainly vote for it.

Mr. McGEE. So, if the bill is amended in the interests of the cattle industry, that will induce the Senator from Vermont to vote for the bill?

Mr. AIKEN. Undoubtedly it would be a good beginning to have such a satisfactory amendment added to the bill.

Mr. McGEE. I thank the Senator from Vermont.

Mr. SIMPSON. I should like to ask whether my colleague intends to vote for the bill.

Mr. McGEE. I shall vote for the amendment, and I also intend to vote for the feed grains bill. I favor the feed grains bill, no matter whether this amendment is adopted or rejected. However, I should like to have this amendment made the law of the land. But I am afraid—because of the atmosphere which has been disclosed by the votes taken thus far—that this amendment will go down the drain; and I would not like to see another black mark on the prospects of develop a positive profile, in view of the importance of the cattle industry.

Mr. SIMPSON. If my colleague will use his persuasiveness among the Senators on his side of the aisle, I am sure the amendment will be adopted, and thus we can make a positive contribution to the important cattle industry of the West.

Mr. McGEE. I think that would be a valuable contribution, and I hope my colleague will be equally persuasive among all Senators on his side of the aisle.

Mr. HICKENLOOPER. Mr. President, if the Senator from Wyoming will yield to me, I could propose three or four amendments which, if adopted, would persuade me to vote for the bill. But those amendments would have to be adopted first, before I would find the bill acceptable.

Mr. McGEE. I thank the Senator from Iowa.

Mr. AIKEN. Mr. President, if the Senator from Wyoming will yield to me, I am sure that if the "cattlemen" on both sides of the aisle will vote for this amendment, it will be adopted; and then we shall have an improved bill which we can support.

Mr. MUNDT. Mr. President, will the Senator from Wyoming yield to me?

Mr. SIMPSON. I yield.

Mr. MUNDT. I should like to add an expression of my congratulations to the distinguished Senator from Wyoming [Mr. SIMPSON] for having offered this most desirable amendment. I speak as one who expects to vote for the feed-grains bill; but I realize that in many of the States, livestock comprises a greater source of income than does the grain or corn that is produced in the fields and that is covered in the pending bill. In my own State, substantially more than 70 percent of our farm income comes from livestock.

In reading the amendment, I was hopeful that there might be in it, as well, a provision to protect the sheep raisers against the unconscionable imports of lamb. But I realize that we cannot solve all the problems by means of one amendment.

I think this amendment would be an excellent start in the right direction, and I certainly hope the amendment will be agreed to.

I see no logic in the argument used by some Senators on the other side of the aisle who suggest that the calendar should be the main factor to be considered when voting on feed grains legis-

lation but that time is of no importance whatever when it comes to voting on livestock. I believe we should vote for these amendments when we have an opportunity to do so. So when a good amendment comes along, such as the one I had before the Senate a year ago, is before the Senate, I am not at all impressed when some Senators say, "Do not vote for this amendment, for the time is not right."

Why do we not look at the merits of legislation? Why do we not consider the facts, the needs, and the problems more than we do the hour glass, the calendar, and the clock on the wall? I do not propose to be pushed into either a yes or a no vote on farm legislation based solely on the issue of timing. I believe the right time to vote for whatever is right is when the opportunity to vote presents itself. I hope that Senators will vote their convictions on the proposed cattle legislation, which would do something very important to help the livestock industry, and not try to hide behind the calendar or conceal themselves behind the clock on the wall. This may be our only opportunity this session to do something constructive to protect cattlemen against the colossal imports which have done so much to drive down livestock prices in the cattle producing area of America.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. MUNDT. I am happy to yield to the Senator from North Dakota.

Mr. YOUNG of North Dakota. I have never heard so many good ideas expressed on the floor of the Senate in 1 day. But bills have not been introduced to accomplish those results. I wonder if the emergency arose overnight. The cattlemen have been suffering from imports for a long while. Why have we not received measures to accomplish a remedy?

Mr. MUNDT. The Senator from Wyoming pointed to one measure we supported which was lost by one vote last year. We now have an opportunity to move in. That is the purpose of the amendment. We are confronted with a serious decline in cattle prices in America. It is not something that happened 5 years or 10 years or 2 years ago. It has been happening during the past few months at an accelerated rate. This is our first opportunity to tie an amendment to proposed farm legislation which would do something to remedy the situation. I hope the amendment will be agreed to. I speak as one who will vote to correct the mistakes of last year created through passage of an utterly unworkable feed grains bill, not because of the hour, the day, or the date, but because there is need to remedy a problem of feed grains farmers as well as those engaged in the cattle industry. I vigorously opposed the feed grains bill which we adopted a year ago. I said then it was unconscionable, unjust, and uneconomic. I continue to hold to those convictions. This is our first—perhaps our only—chance to undo the damage to corn and feed grains farmers that we created and projected a year ago. So, of course, I shall vote for this substitute

for an utterly unwise and unjust feed grains program. However, I do not desire to be labeled as one interested only in protecting the feed grains farmers and not giving a continental about what happens to the cattlemen. I hope the Simpson amendment is adopted. It will greatly improve the pending bill.

Mr. SIMPSON. I thank the Senator from South Dakota for his pertinent observations, which are certainly born of his years of experience in the Senate. I hope other Senators will see the situation as clearly as does the Senator from South Dakota.

Mr. President, I should like to inquire how much time I have remaining.

The PRESIDING OFFICER (Mr. McGOVERN in the chair). The Senator from Wyoming has 4 minutes remaining.

Mr. SIMPSON. Mr. President, I reserve that time.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Minnesota.

Mr. McCARTHY. Mr. President, I ask unanimous consent that excerpts from a press release of the Secretary of Agriculture of April 3 be printed at this point in the RECORD. It touches on the subject under debate.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

INFORMATION REGARDING MEAT IMPORTS

Imports of beef have sometimes been cited as a cause of the price break for fed steers and heifers. The report finds no evidence that this is true. It names two reasons. One is that although total beef imports for 1962 were at record levels, almost all was of manufacturing beef together with some canned beef. Very little high grade fed beef was imported. Yet the price decline was confined to fed cattle. Prices of cow beef and of slaughter cows, with which beef imports compete, have been little affected.

The Department of Agriculture has been called on to take steps to restrict imports of beef. Aside from the fact that evidence does not point to imports as causing the price decline, the Secretary of Agriculture has no authority to limit imports for economic reasons. His authority over imports of meat and live animals is confined to inspection, sanitation and other requirements to prevent the dissemination of livestock diseases, and to insure that imported meat fit for human consumption.

Information extracted from publication entitled "The Current and Prospective Cattle Situation" (ERS, pp. 12-13, April 1963):

"The United States, once a net exporter of beef, has been a net importer for several decades. Imports of beef and veal in 1962 totaled a record 1.4 billion pounds (carcass weight equivalent). This was equivalent to nearly 9 percent of U.S. production of beef and veal. In addition, 1,250,000 head of cattle and calves were imported.

"Of the beef and veal imports, 86 percent was boneless beef for manufacturing; another 9 percent was canned beef. Very little bone-in or chilled beef or veal was imported."

"These products supplement U.S. production by supplying lower grade processing meat, which we have not been producing in large enough quantities to meet our growing demand. Such imports are chiefly a supplement to the domestic supply of cow beef, and as the chart indicates, are relatively large when cow slaughter is low and vice versa. Thus, the volume of these imports tends to vary with the cycle—cow slaughter tends to decline when cattle inventories are increasing and rise when

herds are being reduced. For example, imports of beef were cut about in half between 1951 and 1955.

"While the volume of imports does have an influence on the price of certain grades and classes of cattle slaughtered primarily for processing beef, it is not an important factor affecting the price of our high-quality beef and hence the prices of fed cattle. In the third quarter of 1962, when fed cattle prices had their most rapid increase of the year, imports of processing beef were up 56 percent from the second quarter of 1962 and 35 percent from the third quarter a year earlier. Imports decreased 2 percent from November to December and 33 percent from December to January. Imports this January also were 14 percent under imports in January 1962, partly as a result of the dock strike."

Mr. ELLENDER. Mr. President, do I correctly understand that the distinguished Senator from Wyoming desires to use his remaining 4 minutes?

Mr. SIMPSON. Mr. President, I have reserved the remainder of my time.

Mr. ELLENDER. The Senator may use it now because it is my intention to make a point of order.

Mr. SIMPSON. Mr. President, I make one last observation. If I can procure the valued assistance of the senior Senator from Wyoming in getting as many votes on his side of the aisle as I shall endeavor to do on my side, I am sure the amendment will be adopted without difficulty.

I yield back the remainder of my time.

Mr. ELLENDER. Mr. President, I make the point of order that the pending amendment is not germane. The subject matter of the amendment should originate in the House of Representatives, and then it should be referred to the Senate Committee on Finance. I therefore make the point of the order that the amendment is out of order.

Mr. SIMPSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator has no time in which to make a unanimous-consent request, unless some Senator has yielded to him.

Mr. MUNDT. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. MUNDT. I think the Senator has time remaining which he may use for a quorum call if he so desires.

The PRESIDING OFFICER. The Senator yielded back his remaining time.

Mr. MUNDT. I thought the Senator reserved his remaining time.

Mr. SIMPSON. No; I yielded it back.

The PRESIDING OFFICER. The Chair is prepared to rule on the point of order of the Senator from Louisiana. The unanimous-consent agreement contains a provision requiring germaneness of amendments. The bill would extend the feed-grain program. It has no relationship to the Tariff Act of 1930 or rates of duty. Moreover, under the Constitution of the United States, matters affecting revenue must originate in the House of Representatives. Therefore, the Chair sustains the point of order.

Mr. MILLER. Mr. President, I call up my amendment—

Mr. SIMPSON. Mr. President, will the Senator yield?

Mr. MILLER. I yield.

Mr. SIMPSON. Mr. President, I ask for the yeas and nays on the point of order.

The PRESIDING OFFICER. A request for the yeas and nays is not in order. The Senator can appeal from the ruling of the Chair, if he wishes to do so.

Mr. SIMPSON. Mr. President, I appeal from the ruling of the Chair.

Now I suggest the absence of a quorum.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. SIMPSON. I yield to the Senator from Ohio.

Mr. LAUSCHE. Inasmuch as the Senator from Wyoming yielded back his time, he ought not now to be punished for doing so and told that because he yielded back his remaining time, he may not suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Wyoming has 30 minutes on his appeal from the ruling of the Chair.

Mr. LAUSCHE. I am not challenging the ruling of the Chair, but I do appeal to the Senator from Louisiana [Mr. ELLENDER] to consider the fact that the Senator from Wyoming yielded back his time and now is being punished in his effort to have a quorum call. Why does not the Senator from Louisiana yield to him a minute to suggest the absence of a quorum?

Mr. ELLENDER. The Senator has appealed the ruling of the Chair and he has 30 minutes in which he can have a quorum call.

Mr. MILLER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Iowa?

Mr. SIMPSON. I yield.

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. MILLER. Mr. President, I merely wish to make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MILLER. I ask the Chair whether or not, when a Senator has yielded back the remainder of his time, it is in order for him to suggest the absence of a quorum.

Mr. ELLENDER. He may do it on his own time.

Mr. MILLER. The question is whether he may do so once he has yielded back his time.

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that once time has been yielded back, the Senator may not suggest the absence of a quorum at that point because he has no time even to make the suggestion of the absence of a quorum. The Senator from Wyoming now has 30 minutes on his appeal from the ruling of the Chair, and he has suggested the absence of a quorum, the time for which will come out of the time available to the Senator from Wyoming.

Mr. MILLER. I thank the Chair.

Mr. HICKENLOOPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HICKENLOOPER. What is the basis for the ruling that the Senator has 30 minutes on the appeal?

The PRESIDING OFFICER. Under the previous agreement, 1 hour is allotted to any amendment, 30 minutes on each side, including an appeal.

Mr. HICKENLOOPER. Does the unanimous-consent agreement specifically contain a reference to appeals from rulings of the Chair and limitations on the time?

The PRESIDING OFFICER. It does contain such a provision.

Mr. HICKENLOOPER. I thank the Chair.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SIMPSON. Mr. President, I ask unanimous consent that further proceeding under the quorum call may be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. SIMPSON. Mr. President, I wish to submit, in support of the appeal from the ruling by the Chair, the situation which confronted the Senate yesterday. I read from the CONGRESSIONAL RECORD, page 7972, the colloquy which ensued among the Senator from Florida [Mr. HOLLAND], the Senator from Nebraska [Mr. CURTIS], and the majority leader:

Mr. CURTIS. Mr. President, will the Senator explain what he means by "germane amendments" within the purview of the proposed unanimous-consent agreement?

Mr. HOLLAND. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. HOLLAND. The majority leader yielded to a request by me that the unanimous-consent agreement contain the usual provision confining the amendments to those germane to the subject matter of the bill. That was not a suggestion by the majority leader; it was suggested by the Senator from Florida.

Mr. CURTIS. Let me ask whether an amendment dealing with agricultural imports is germane.

Mr. MANSFIELD. In my opinion, it is, without question.

Mr. CURTIS. Very well.

Mr. HOLLAND. I made my suggestion when it was suggested from some sources that various civil rights amendments would be offered to the bill. I thought they would run far afield, and would defeat the purpose which some of us have to have the bill passed sometime this week.

Mr. CURTIS. Let me ask whether it is the intent of the Senator from Florida, who takes responsibility for this part of the proposed unanimous-consent agreement, that any amendment dealing with agricultural imports, pricing, marketing, and so forth, would be considered germane.

Mr. HOLLAND. My feeling is that any amendment dealing with feed grains or wheat or with their products would be held to be germane.

Mr. CURTIS. I am not indulging in playing games. I will state exactly what my two amendments are. One of them deals with imports. The other one is to attach, as an amendment, a proposal I have espoused for a

number of years and which, in one form or another, has been passed by the Senate several times. It deals with industrial uses of agricultural surpluses.

I invite attention to amendment No. 90, which the Senator from Nebraska submitted. It had nothing to do with any agriculture except livestock.

After that colloquy the Senator from Florida [Mr. HOLLAND] said:

Mr. HOLLAND. I think the Chair is the only one who can rule on the question of germaneness. I have no opinion on that matter, other than to state that I hope those amendments will be held to be germane.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. SIMPSON. I yield to the Senator from Nebraska.

Mr. CURTIS. It is my hope that the Senate will hold that the amendment offered by the distinguished Senator from Wyoming [Mr. SIMPSON] is germane. It is clear it was not the intent either of the Senate or of the Senator who propounded the unanimous-consent request to change the rules of the Senate. The intent of the Senator, as stated by him, was to exclude in this particular instance matters totally foreign to agriculture; specifically, he did not wish to have civil rights questions entered.

It is true that, out of an abundance of caution, at the suggestion of the minority leader [Mr. DIRKSEN], I asked unanimous consent that my amendment, which has already been sent to the desk, be considered as germane. But even without that I obtained the clear understanding from the colloquy which has been read to the Senate that any amendment would be considered germane which dealt with the central theme of agriculture, feed grains, wheat and their products. What are their products? Their products are livestock. That was the intent of the Senate as it appeared to the junior Senator from Nebraska. I hope the Senator will prevail in his effort to cause the Senate so to hold.

Mr. SIMPSON. I thank the Senator from Nebraska.

It is a disappointing thing to find that some members of the majority party in the U.S. Senate would punish the livestock industry of the West, even hurt it and possibly destroy it, because of some parliamentary tactic. I can only say that the junior Senator from Wyoming is seeking to represent his constituency of the great State of Wyoming, one of the great livestock-producing States of America.

I appreciate the comments by the Senator from Nebraska. I can only say that the amendment which the Senator offered earlier today, and for which I voted, would have been a good amendment to add to this bill, which has been so precipitately brought before the U.S. Senate and is being rushed through in such fashion.

Mr. CURTIS. Mr. President, will the Senator yield further?

Mr. SIMPSON. I yield.

Mr. CURTIS. I invite attention to this question from the RECORD:

Mr. CURTIS. Let me ask whether an amendment dealing with agricultural imports is germane.

Mr. MANSFIELD.

The distinguished majority leader

In my opinion, it is, without question.

Upon that basis, I did not object to the unanimous-consent request, because of the statement that an amendment dealing with agricultural imports would be held as germane.

Mr. SIMPSON. I thank the Senator from Nebraska.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. SIMPSON. I yield to the Senator from Iowa.

Mr. MILLER. I think it would be very unfortunate if this very important amendment should be disposed of on the basis of a pure technicality. I suggest that, if one looks at the RECORD, it will be very interesting to discover that some Senators who would indicate approval of the amendment offered by the Senator from Wyoming voted against the amendment offered by the Senator from Nebraska. If I deduce the meaning of the two amendments, they are almost identical. Granted that there may be a slight difference in what the Senator from Wyoming has included in his amendment, the basic purpose of each amendment was to protect our important livestock industry.

How anyone could support the amendment of the Senator from Wyoming after having voted against the amendment of the Senator from Nebraska is something which I suggest involves a little explaining.

I think it is very unfortunate that a point of order has to be made to the amendment of the Senator from Wyoming, because if there were to be a roll-call, it would be very interesting to see whether there was consistent support or consistent opposition to these two amendments. They are so close that I do not know how a Senator could vote against one and support the other, or vote for one and not support the other.

If for no other reason than that the Senator from Nebraska had consideration of his amendment, and in view of the statements he has quoted from the RECORD, the Senator from Wyoming ought to prevail in his appeal from the ruling of the Chair.

Mr. SIMPSON. Mr. President, I call again for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. SIMPSON. I yield to the distinguished majority leader.

Mr. MANSFIELD. Unfortunately, I have been absent from the Chamber briefly. If the Senator from Wyoming is agreeable, I would appreciate it if he would withdraw his appeal from the ruling of the Chair, which I think was in large part quite accurate, and allow his amendment to be submitted to a vote.

Mr. SIMPSON. I yield to the suggestion of the distinguished majority leader.

Mr. MANSFIELD. I make this request because I understand something I said yesterday to the Senator from Nebraska was quoted—and I am sure exactly—and on that basis a misunderstanding may have occurred. If I correctly understand what the amendment of the Senator from Wyoming covers, it has to do with tariffs. While his amendment, as I understand it, is tied up with matters agricultural, I point out that tariffs, as a matter of course, procedure, and precedent are considered primarily by the House Ways and Means Committee and the Finance Committee of the Senate. But in view of the fact that it was possibly my fault that this misunderstanding developed, I hope it will be possible to have a vote; and I ask unanimous consent that, notwithstanding the ruling of the Chair, a vote be had immediately on the amendment of the Senator from Wyoming.

The PRESIDING OFFICER. Is there objection? The Chair hears none—

Mr. HICKENLOOPER. Mr. President, reserving the right to object, am I correct in stating that the majority leader not only suggests, apparently, that the appeal from the ruling of the Chair be withdrawn, but that the ruling be vacated, in order to clear the way for a vote on the amendment of the Senator from Wyoming?

Mr. MANSFIELD. That was included in the unanimous-consent request.

Mr. HICKENLOOPER. I have no objection.

Mr. KUCHEL. Mr. President, reserving the right to object, I should like to ask the Senator from Wyoming if he has any additional comments to make before the Senate proceeds to vote on the amendment.

Mr. SIMPSON. Only this: I want to thank the distinguished majority leader for his patience and his judgment. He has always been eminently fair, and I appreciate it very much. With that understanding, however, I certainly subscribe to the Senator's request.

Mr. MANSFIELD. I thank the Senator. He speaks like a neighbor, which he is.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. SIMPSON].

Mr. ELLENDER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ELLENDER. I yield back all my time.

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KUCHEL. In line with the comment addressed to the Chair by the Senator from Iowa, do I correctly understand that the RECORD will reflect that the ruling of the Chair has been completely vacated?

The PRESIDING OFFICER. The Senator is correct. The ruling has been vacated, and the point of order withdrawn.

Mr. LONG of Louisiana. Mr. President, am I to understand that this is a proposal to place a tariff on certain commodities?

The PRESIDING OFFICER. The Senator is correct.

Mr. LONG of Louisiana. Would not that be a revenue measure?

The PRESIDING OFFICER. That was one of the grounds on which the point of order was originally raised.

Mr. LONG of Louisiana. The point to which I address myself is this: Does not the Constitution require that revenue bills originate in the House?

The PRESIDING OFFICER. That was the ruling of the Chair.

Mr. LONG of Louisiana. If this measure was not a revenue bill when it originated there, under the Constitution can the Senate make a revenue bill out of a bill which originated in the House but was not a revenue bill when it originated there?

The PRESIDING OFFICER. The Senate can proceed under the unanimous-consent request, and, if it is in violation, it can be corrected in the other body.

Mr. HOLLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Florida will state it.

Mr. HOLLAND. Is not this vote, in effect, a vote on a question of constitutionality that is raised? Such a question has to be submitted to the Senate, anyway, for its vote by a majority vote. The Senator from Florida was not on the floor when all this proceeding began, but if there is some question as to its regularity it could easily turn into a decision on a constitutional question.

Mr. MANSFIELD. I believe I was partly to blame for the situation which arose, while I happened to be out of the Chamber, based on a statement I had made. I thought this was the best way out of an embarrassing situation, so I made the unanimous-consent request. I trust the Senator from Florida, with his usual graciousness and cooperation, will let us proceed to a vote.

Mr. HOLLAND. I certainly shall, but it seems to me we are voting on whether this is a constitutional question properly raised.

Mr. MANSFIELD. The Senator is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming [Mr. SIMPSON]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN]. If he were present and voting he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Arizona [Mr. HAYDEN], the Senator from Oregon [Mr. MORSE], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Florida [Mr. SMATHERS], the Senator from New Jersey [Mr. WILLIAMS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that, if present and voting, the Senator from New Jersey [Mr. WILLIAMS] and the Senator from Utah [Mr. MOSS] would each vote "nay."

On this vote, the Senator from Oregon [Mr. MORSE] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Oregon would vote "nay" and the Senator from Colorado would vote "yea."

On this vote, the Senator from Maine [Mr. MUSKIE] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Maine would vote "nay" and the Senator from Texas would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The pair of the Senator from Illinois [Mr. DIRKSEN] has been previously announced.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Oregon [Mr. MORSE]. If present and voting, the Senator from Colorado would vote "yea" and the Senator from Oregon would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Maine [Mr. MUSKIE]. If present and voting, the Senator from Texas would vote "yea" and the Senator from Maine would vote "nay."

The result was announced—yeas 31, nays 58, as follows:

[No. 77 Leg.]

YEAS—31

| | | |
|-----------|---------------|-------------|
| Aiken | Hickenlooper | Mundt |
| Beall | Hruska | Pearson |
| Bennett | Inouye | Prouty |
| Boggs | Jordan, Idaho | Randolph |
| Carlson | Kuchel | Saltanstill |
| Church | Lausche | Simpson |
| Cotton | Long, Mo. | Smith |
| Curtis | McGee | Symington |
| Dominick | Mechem | Thurmond |
| Fong | Miller | |
| Goldwater | Morton | |

NAYS—58

| | | |
|--------------|--------------|----------------|
| Anderson | Gore | McNamara |
| Bartlett | Gruening | Metcalf |
| Bayh | Hart | Monroney |
| Bible | Hartke | Nelson |
| Brewster | Hill | Neuberger |
| Burdick | Holland | Pastore |
| Byrd, Va. | Humphrey | Pell |
| Byrd, W. Va. | Jackson | Proxmire |
| Cannon | Javits | Ribicoff |
| Case | Johnston | Robertson |
| Clark | Jordan, N.C. | Russell |
| Cooper | Keating | Scott |
| Dodd | Kefauver | Sparkman |
| Douglas | Kennedy | Stennis |
| Eastland | Long, La. | Talmadge |
| Edmondson | Magnuson | Williams, Del. |
| Ellender | McCarthy | Young, N. Dak. |
| Engle | McClellan | Young, Ohio |
| Ervin | McGovern | |
| Fulbright | McIntyre | |

NOT VOTING—11

| | | |
|-----------|----------|----------------|
| Allott | Morse | Tower |
| Dirksen | Moss | Williams, N.J. |
| Hayden | Muskie | Yarborough |
| Mansfield | Smathers | |

So Mr. SIMPSON's amendment was rejected.

Mr. ELLENDER. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MILLER. Mr. President, I call up my amendment No. 75 and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add a new section as follows:

SEC. 5. Section 339(a) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end of paragraph (1) thereof a new sentence as follows: "In no event shall the Secretary designate soybeans as a crop not in surplus supply under the provisions of clause (1) of the first sentence of this paragraph."

Mr. MILLER. Mr. President, on my amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MILLER. Mr. President, in the bill, considerable attention is given to the crop of wheat. Lest some of the implications of the bill be overlooked, I think it well to point out that in section 339(a) (1) of Public Law 87-703, the Food and Agricultural Act of 1962, a very important provision appears. It reads as follows:

During any year in which marketing quotas for wheat are in effect, the producers on any farm (except a new farm receiving an allotment from the reserve for new farms) on which any crop is produced on acreage required to be diverted from the production of wheat shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crops, as provided in this subsection unless—

And this is the important provision—

(1) the crop is designated by the Secretary as one which is not in surplus supply and will not be in surplus supply if it is permitted to be grown on the diverted acreage, or as one the production of which will not substantially impair the purpose of the requirements of this section.

That seems like a rather innocuous little provision. The Secretary of Agriculture has been given discretion to determine that certain crops can be grown on the diverted acreage if he reaches the conclusion that either the crop is not in surplus, or that by permitting the growing of crops on the acreage there will not be surplusage. But the nice question is, What is a surplus?

I pointed out last year during a debate with the Senator from Louisiana [Mr. ELLENDER] on the feed grain bill, and in connection with feed grains themselves, that we had not yet been told what would be the target or objective of crops so far as the Secretary of Agriculture was concerned. In other words, what good was it to talk about a surplus unless we knew what our requirements were?

I stated that it was futile to talk about surpluses unless we knew what our requirements were; that once the requirements were determined, then we could talk about anything in excess of the requirements as of that time.

As of now we have not been given a firm estimate of the requirements for national defense and for other purposes by the Secretary of Agriculture with respect to feed grains. Most assuredly, we have not been given any statement of requirements with respect to soybeans. So the question arises whether

the Secretary of Agriculture might possibly decide that soybeans could be grown on the diverted acres.

When one reads the Federal Register for Tuesday, May 7, page 4568, to learn what the Secretary of Agriculture has in mind with respect to crops that can be grown on diverted acres, he finds in the proposed regulation for the wheat diversion program for 1964 and 1965 the statement:

In accordance with law, the Secretary will designate crops which may be planted for harvest in lieu of conservation uses in an amendment to this paragraph.

That amendment has not yet been forthcoming. This gives cause for concern as to what the Secretary of Agriculture has in mind.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. MILLER. I am happy to yield.

Mr. EASTLAND. The Senator is referring to the growing of soybeans on diverted acreage?

Mr. MILLER. On diverted acres under the wheat program; that is correct.

This provision could be interpreted by the Secretary of Agriculture—and it is my understanding that representatives of the Department of Agriculture so interpret it—that the Secretary could authorize the planting of soybeans for harvest on the diverted acres.

Those in the Department of Agriculture have been trying to minimize this matter by saying that if this were done, it would not involve any payments. However, that is not the point.

The vital issue is that the diverted wheat acres could well end up in soybeans, thus paving the way for a surplus of soybeans and thus undermining the soybean economy, which has been getting along very well up to now without controls, and is so important to the farmers in the Corn Belt.

I suggest that this is a "sleeper" provision in the Wheat Act which the administration has been careful to avoid bringing to the attention of the public; and, if reports are correct, this is another ace in the hole which the administration might well draw out just prior to the wheat referendum on May 21. All the Secretary of Agriculture would have to do would be to decide, just before the referendum, that soybeans would be permitted on wheat acreages, and then a direct influence on the participants would be brought into being. It would only be necessary for word to get around that that was what the Secretary of Agriculture had in mind; and such word has been getting around.

There has been a long history of having production-control programs in one commodity and diverting that acreage to other commodities.

As a result, we have had serious trouble. Over the years, much of the shift out of cotton and wheat has gone into feed-grains production, to the economic detriment of the entire Corn Belt. And if past actions are any indication, the administration is sure to use this provision as a vehicle to attain a certain end; namely, a favorable vote in the wheat referendum.

The purpose of my amendment is to eliminate soybeans from being designated as a crop not in surplus under the provisions of the wheat program. It would effectively stymie any tampering with soybean plantings, one of the most important crops, not only in Iowa, but in all of the Midwest.

Soybean prospective acreages for 1963 are the highest on record—4-percent more than last year, and 22-percent above average. The Crop Reporting Board of the U.S. Department of Agriculture estimates that acreages will be close to 30 million—or, to be exact, 29,896,000. The harvested acreage this year will, as a result, be considerably above the 27,857,000 acres of last year.

Mr. President, I have before me a table, from the Crop Reporting Board of the U.S. Department of Agriculture, setting forth the planted acreage and the harvested acreage for soybeans in 1960, 1961, and 1962, and the planted acreage in 1963, and also a similar table with respect to my State of Iowa. I ask unanimous consent that the tables be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Planted and harvested acreage, soybeans, United States

| | |
|-------------------------|------------|
| Planted: | |
| 1960..... | 24,449,000 |
| 1961..... | 28,815,000 |
| 1962..... | 28,703,000 |
| 1963 ¹ | 29,896,000 |
| Harvested: | |
| 1960..... | 23,655,000 |
| 1961..... | 27,008,000 |
| 1962..... | 27,857,000 |
| 1963 ¹ | |

¹ Indicated.

Source: Crop production, March 1963, Crop Reporting Board, SRS, USDA.

Soybean prospective acreage for 1963 would be the highest on record. Four percent more than last year and 22 percent average.

IOWA

| | |
|-------------------------|-----------|
| Acreage planted: | |
| 1960..... | 2,543,000 |
| 1961..... | 3,452,000 |
| 1962..... | 3,415,000 |
| 1963 ¹ | 3,586,000 |
| Acreage harvested: | |
| 1960..... | 2,528,000 |
| 1961..... | 3,405,000 |
| 1962..... | 3,405,000 |

¹ Indicated.

Source: Crop production, March 1961, 1962, 1963, AMS, Crop Reporting Board, USDA; Annual Crop Summary, December 1961, 1962, Agricultural Statistics, 1961.

Mr. MILLER. Mr. President, the Feed Grains Act we are now considering is a proper vehicle for an amendment such as this one, which would prohibit soybeans from being planted on diverted acres, in the event the wheat program being voted on on May 21 becomes effective by means of having two-thirds of those who vote in the referendum vote "yes," because, as I have pointed out, in the main bill much attention is given to the subject of wheat.

Soybeans have become what is known as a wonder crop. They started out being grown in Iowa and Illinois primarily, and now they are grown in most every State, including heavy production in the Southern States, where normally cotton

is king. The acreage has increased dramatically, the yields have also increased, the prices have been good, and the consumption has kept pace with production. One reason why soybeans is a wonder crop is that it has not been subject to Government controls and the outlays for its use have not been hindered by such controls.

Unfortunately, Secretary Freeman unwisely raised the support price for soybeans from \$1.85 a bushel to \$2.25 a bushel shortly after he first came into office. That misguided action caused an abnormally large increase in production; and it was not until many months afterward that the price was restored to what it was just before the Secretary of Agriculture took that action.

The only reason why the price has not been worse, as a result of that action, is that we have had a substantial increase in the disposal of these crops under Public Law 480, and that has kept soybeans out of trouble.

Nevertheless, soybean growers had warned the Secretary of Agriculture not to increase the support price of soybeans, because they foresaw the difficulty which eventually followed.

I should like to point out that some statements have been made about the fact that the stocks of soybean crops in the hands of the Commodity Credit Corporation are not large. For example, I hold in my hand a table from the Soybean Division of the Commodity Credit Corporation, U.S. Department of Agriculture, showing that as of December 31, 1962, the Commodity Credit Corporation inventory of soybeans was 36,710,649 bushels, whereas on April 1 of this year that quantity was down to only 8,397,000 bushels. That indicates a very substantial drop from December 31, 1962, to April 1, 1963; but the point is that the carryover should be figured from December 31 of one year to December 31 of the following year. In that connection, I invite attention to the fact that on December 31, 1960, the soybean inventory of the Commodity Credit Corporation was only 4,492,485 bushels; and then, after the Secretary of Agriculture took the action which he did, over the protests of the soybean industry, 2 years later the soybean inventory of the Commodity Credit Corporation had increased to 36,710,649 bushels, as I have already stated.

Mr. President, I ask unanimous consent that this table be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Soybeans in inventory of CCC

| | |
|--------------------------|----------------|
| Dec. 31, 1960: | |
| Quantity (bushels) ----- | 4, 492, 485 |
| Value ----- | \$10, 600, 637 |
| Dec. 31, 1962: | |
| Quantity (bushels) ----- | 36, 710, 649 |
| Value ----- | \$87, 433, 158 |
| Apr. 1, 1963: | |
| Quantity (bushels) ----- | 8, 397, 000 |
| Value ----- | \$18, 725, 310 |

Sources: USDA, CCC Operating Results and Status of CCC, Price-Support Program, Feb. 12, 1963, Feb. 1, 1961; Mr., Gazelle, USDA, Soybeans Division.

As of April 1, 1963, soybeans under price-support loan included: 52,944,000 bushels, current crop, and 9,650,000 bushels, prior crops, for a total of 62,594,000 bushels, valued at \$139,584,620.

Mr. MILLER. Mr. President, the Commodity Credit Corporation stocks are, of course, important; and if the Government is paying storage costs on them, that factor is also to be taken into account. However, the Commodity Credit Corporation stocks are only a part of the overall picture.

There are stocks on the farms, in the Commodity Credit Corporation programs, and in the various mills, elevators, and warehouses; and I should like to point out that as of January 1 of this

year, the total stocks of soybeans on hand in all these areas amounted to 527,691,000 bushels. On April 1, that had been reduced to 343,588,000 bushels; but that is still a very substantial inventory; and it can be anticipated that it will be substantially added to by the time the soybean crop has been harvested.

In this connection, Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table which sets forth the figures from the U.S. Department of Agriculture, Crop Reporting Board, which I have just cited.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Stocks of soybeans

| | On farms ¹ | Commodity Credit Corporation ² | Mills, elevators, and warehouses ³ | Total |
|--------------------|-----------------------|---|---|---------------|
| Jan. 1, 1961 ----- | 171, 936, 000 | 291, 000 | 251, 742, 000 | 423, 969, 000 |
| Jan. 1, 1962 ----- | 258, 403, 000 | ----- | 252, 168, 000 | 520, 571, 000 |
| Jan. 1, 1963 ----- | 228, 121, 000 | 262, 000 | 299, 308, 000 | 527, 691, 000 |
| Apr. 1, 1963 ----- | 135, 989, 000 | 1, 000 | 207, 598, 000 | 343, 588, 000 |

¹ Estimates of the Crop Reporting Board.

² Owned by CCC and stored in bins or other storages owned or controlled by CCC; other CCC-owned grain is included in the estimates by positions.

³ All off-farm storages not otherwise designated, including flour mills, terminal elevators, and processing plants.

Source: USDA, Statistical Reporting Service, Crop Reporting Board, Washington, D.C., "Stocks of Grains in All Positions," Jan. 24, 1962, Jan. 24, 1963, and Apr. 26, 1963.

Mr. MILLER. Mr. President, in this connection I wish to point out that there appeared in the Soybean Digest for April 1963, in the section entitled "Editor's Desk," an editorial by George M. Strayer in regard to the soybean outlook. I read from the editorial:

We will have all the soybeans in 1963 we can possibly use to advantage. The soybean acreage this year will be determined by the cotton program, the feed grain program, the winter kill of winter grain crops, the wheat program, the lack of returns from the oat crop. Support level, whether placed at \$2.25 or \$2.50, would have had very little effect on acreage. In my opinion the increase in soybean acreage will be larger than the 1.2 million acres indicated in the March 1 planting intentions report.

But if it turns out to be a 1.2-million-acre increase, and if we have normal weather and a 725-million-bushel crop, when you add a 40-million-bushel carryover to it you have 765 million bushels of available soybeans. Balance against it a 175-million-bushel export, a fantastic 450-million bushel crush, 30 million bushels for seed and farm disappearance, and you still come up to a 100-million-bushel carryover. And that is the maximum, in your editor's estimation, that we can ever afford to carry.

Mr. President, I suggest that those facts, coming from the industry itself, indicate that any tampering with the soybean crops or acreage by permitting the growing of the crops on diverted acres under the wheat program would cause catastrophe in this heretofore highly successful crop. Adoption of my amendment would take any discretion from the hands of the Secretary of Agriculture to abuse the situation. He now has the discretion to set almost any level he wishes. As to the level of requirements, that level could be 200 million bushels of soybeans, and on that basis

the Secretary could say that as long as we do not have 200 million bushels of soybeans, we do not have a surplus situation, and therefore we can permit the growing of soybeans on diverted wheat acres.

I hope that my amendment will be adopted. I think that it is very important to protect a crop area which has done well on its own and which has heretofore been free from Government controls and Government tampering, except on the occasion, about 2 years ago, when the Government had to meddle in the situation and cause trouble.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 13 minutes remaining.

Mr. MILLER. I reserve the remainder of my time.

Mr. ELLENDER. Mr. President, I rise to oppose the amendment. The amendment seeks to deal with the wheat law. It would not affect the feed grain law at all.

The wheat law that we passed last year specifically prevented the Secretary of Agriculture from permitting the planting of any crop that is in surplus, be it soybeans or any other crop, on diverted acres. So in order for soybeans to be planted on diverted wheat acres, soybeans would necessarily have to be in surplus.

The amendment of my good friend from Iowa would take away from the Secretary of Agriculture the authority to permit the planting of soybeans on acreage diverted from wheat when they are not in surplus and when their production would in no way impair the diversion program. Even though soybeans were in short supply and there

were a great deal of land on which they could be grown, if the amendment of the distinguished Senator from Iowa were adopted, the Secretary of Agriculture would be prevented from allowing the growing of soybeans on any of the diverted acres. I do not believe that anyone wishes to take that action.

I believe that the wheat bill, as we drafted it after extended hearings, included a good provision, because the purpose of the bill was to prevent the accumulation of surplus crops. In order to attain that goal, in effect, we provided that with respect to all diverted acres under the wheat law, the Secretary of Agriculture would be given the right to say that any crop that is in surplus could not be planted on such diverted acres. It is that simple. For my good friend from Iowa to deny that right to the Secretary might bring about a shortage of soybeans. The price might go up. I think the discretionary power should be left with the Secretary, and I hope the provision remains as it is.

The Secretary has no intention of designating soybeans as a crop which can be grown on acreage diverted from wheat under present circumstances. He can not do so when they are in surplus. And he should not be prevented from doing so when they are in short supply.

Mr. MILLER. Mr. President, I should like to suggest to my good friend from Louisiana that it is not quite as simple as he would have it appear. The Secretary of Agriculture has not given us any indication of what he means by surplus. If, in the proposed regulations appearing in the Federal Register from which the Senator quoted earlier, the Secretary of Agriculture had made a statement of requirements for soybean stocks, let us say, as of December 31 of each year and had, for example, said that the Secretary of Agriculture, after consultation with the Secretary of Defense, the Secretary of Health, Education, and Welfare, and other appropriate agencies, made a determination that 50 million bushels was the required carryover of stocks of soybeans, the Senator from Iowa would not be so concerned. But the fact is that no one knows what a surplus is in the soybean area. I question if even the Secretary of Agriculture himself knows.

The Senator has talked about surplus. I ask him what he means by surplus. Is it 50 million, 100 million, or 200 million bushels of soybean stocks? I do not believe that anyone has come forward with an answer. Until someone does, and when the members of the industry itself indicate that they are going to have all the soybeans that can possibly be used and then some, it seems to me that we would not be treading on dangerous grounds by adopting the amendment.

If perchance there were some kind of catastrophe which would cause a substantial difference in the outlook of the soybean industry, I am quite confident that the Secretary of Agriculture would be able to prevail upon the Senate to take prompt action to do something about it.

I am seeking to make sure that the Secretary of Agriculture does not abuse the discretion we gave him. That is the purpose of my amendment.

Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 11 minutes remaining.

Mr. MILLER. Mr. President, I yield 5 minutes to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I hope that the amendment of the Senator from Iowa is adopted. I oftentimes question whether the Secretary of Agriculture recognizes what is and what is not a surplus.

As has been pointed out, in the first place soybeans has been the wonder crop of America. Farmers have made money producing that crop without the benefit of Government supports.

In my opinion the Secretary made a terrible mistake last year when he arbitrarily raised the support price by 45 to 50 cents. There was no justification for doing so. The ultimate result will be that in a year or two we shall have Government warehouses stored full of soybeans, and the taxpayers will then have to finance that load. We are already losing millions of dollars on supports of soybean oil as the result of the Secretary's action last year. We will discuss at a later date the manner in which some of these disposals are being handled.

What is happening to soybeans today and what will continue to happen unless we stop it is parallel to what happened to butter a few years ago. As a result of the lowering of support prices, as recommended by Mr. Benson, we had reduced the butter supply in Government warehouses down to a very low level. For example, on January 31, 1960, our inventories of butter were down to 16 million pounds. On the eve of the presidential campaign of 1960, the Democratic-controlled Congress, over the objections of both Secretary Benson and President Eisenhower arbitrarily raised the support price of butter and other dairy products. In February of 1961, Secretary Freeman by Executive order again raised the support price of butter and dairy products.

What happened?

The Government's inventory of butter on January 31, 1960, was 16 million pounds. As of March 31 there were 396 million pounds of butter on hand, which is an increase of over 2,000 percent. The taxpayers now have more than \$232 million invested in butter stored in Government warehouses.

With respect to dried milk the increase in the past 2 years has been from 81 million pounds to over 698 million pounds. This represents an investment of \$164 million.

With respect to cheese, on January 31, 1961, the Department had no cheese at all in Government inventories. As a result of raising the support prices on these dairy products in early 1961 we now have 80 million pounds of cheese in Government storage at a cost of nearly \$30 million of the taxpayers' money.

Altogether dairy products now stored in Government warehouses aggregate some 1,218 million pounds. The cost to the taxpayers for this inventory represents an investment of over \$400 million.

In addition to this \$400 million inventory, during the past 2 years we have sold or given away dairy products upon which the Government has taken a loss of another \$585 million. Altogether Secretary Freeman's butter program has been a billion-dollar boondoggle.

Before we commit the soybean program, which heretofore has been a profitable one for the farmers, to the same trouble—and it is now on the verge of getting in trouble because of the increased support price—we should adopt the pending amendment and thereby tell the Secretary to stop tinkering with the law of supply and demand. The American taxpayers cannot afford another multibillion-dollar New Frontier fiasco.

Let us not bankrupt the soybean farmer who without Government interference has had a profitable crop.

The dairy farmer is in trouble. Why? Because the dairy program was turned into a political football. Let us not make this mistake again.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS of Delaware. I yield.

Mr. HICKENLOOPER. With respect to soybeans, the Senator may agree that the evidence is now beginning to appear that soybeans are, indeed, getting into trouble.

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. HICKENLOOPER. I put into the RECORD a couple of days ago the report from the Department of Agriculture which showed that whereas on March 31, 1962, there were about 936 bushels of soybeans in storage—bushels, not thousands of bushels—on March 31 of this year there were some 9½ million bushels in storage.

The figures jumped up after the increased price support program of the Secretary of Agriculture. They will go on escalating at about that rate, no doubt, for the evidence supports that contention.

Mr. WILLIAMS of Delaware. The evidence supports that statement.

Mr. HICKENLOOPER. Nine million bushels may not be an overwhelming amount at the moment, but in one year's time the figure has jumped as a result of the Department's policies.

Mr. WILLIAMS of Delaware. The Senator is correct. In order to maintain the artificially high support price for the soybean they have been buying soybean oil and various other vegetable oils. I have available a report, which I will put into the RECORD later, with regard to oil which is being stored in various ports and warehouses throughout the world. They have been trying to give it away. The countries have been rejecting it even as a gift. They do not want it because it is in poor condition. Some of it is rancid as the result of faulty containers.

That is a glaring example of very poor management. In addition to mismanagement, it is an example of what happens when a bureaucracy tinkers with the law of supply and demand. It simply will not work.

Mr. HICKENLOOPER. The Senator from Vermont made the point that they dumped a lot of the oil on the water, and ducks swam on it and got oil on their feathers and died.

Mr. WILLIAMS of Delaware. Yes, that is another case of bureaucratic fumbling. In the first instance a lot of it was bought in poor containers. We also found that they had made the contract with a man who already was on the list of the Department of Agriculture as being a crook and as a man with whom they should not do business, but they went ahead and did business with him anyway.

Mr. HICKENLOOPER. That is correct.

Mr. MILLER. Mr. President, I thank my colleague the Senator from Delaware for his comments. I think they are quite apropos of the problem which I have suggested may well occur.

If the record made by the Secretary of Agriculture, so far as commodities cited by the Senator from Delaware are concerned, is any indication of what will be the record with respect to determining what crops should be grown on diverted acres under the wheat program, we have a great deal of trouble ahead of us.

Mr. President, before I yield back the remainder of my time I think I ought to reemphasize that certain statements are being made to the effect that there is not a problem so far as soybeans are concerned, that there is not a surplus, and that the outlook is very favorable. These statements could well be seized upon as an excuse by someone who might wish to use the statements to justify designating soybeans as a crop which could be grown on diverted acres.

I have already cited the figures regarding the stocks of soybeans. I have attempted to point out that the Commodity Credit Corporation stocks are only one part of the picture.

I note that in a recent bulletin entitled "The Agricultural Situation" for April 1963, volume 47, No. 4, there is a caption "Smaller Soybean Carryover in Prospect." Then, when it comes to setting forth the soybean stocks, the statement is made that during the period October 1962 to March 1963, the Commodity Credit Corporation virtually liquidated its holdings of 40 million bushels of beans. That is a very interesting statement. If taken out of context, one might ignore the fact that there are millions of bushels of soybeans in other areas of storage besides the Commodity Credit Corporation.

Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. MILLER. Mr. President, I had intended to speak further, but I understand that my good friend, the junior Senator from Minnesota, has a problem.

If I were in his position I would not wish to have any further speechmaking, so I yield back the remainder of my time.

Mr. MANSFIELD. Mr. President, on behalf of the Senator from Louisiana, I yield back the remainder of the time on this side.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment offered by the Senator from Iowa. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ANDERSON (when his name was called). On this vote I have a pair with the distinguished Senator from Oregon [Mr. MORSE]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. GRUENING], the Senator from Arizona [Mr. HAYDEN], the Senator from Oregon [Mr. MORSE], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Virginia [Mr. ROBERTSON], the Senator from Florida [Mr. SMATHERS], the Senator from New Jersey [Mr. WILLIAMS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that, if present and voting, the Senator from Arizona [Mr. HAYDEN], the Senator from Maine [Mr. MUSKIE], the Senator from Virginia [Mr. ROBERTSON], the Senator from Florida [Mr. SMATHERS], and the Senator from New Jersey [Mr. WILLIAMS] would each vote "nay."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from Colorado would vote "yea."

On this vote, the Senator from Utah [Mr. MOSS] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Utah would vote "nay," and the Senator from Texas would vote "yea."

On this vote, the Senator from Texas [Mr. YARBOROUGH] is paired with the Senator from Massachusetts [Mr. SALTONSTALL]. If present and voting, the Senator from Texas would vote "nay," and the Senator from Massachusetts would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from New Jersey [Mr. CASE], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Massachusetts [Mr. SALTONSTALL] is detained on official business.

The pair of the Senator from Illinois [Mr. DIRKSEN] has been previously announced.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Alaska would vote "nay."

On this vote, the Senator from Massachusetts [Mr. SALTONSTALL] is paired with the Senator from Texas [Mr. YARBOROUGH]. If present and voting, the Senator from Massachusetts would vote "yea" and the Senator from Texas would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Utah [Mr. MOSS]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Utah would vote "nay."

The result was announced—yeas 27, nays 57, as follows:

[No. 78 Leg.]

YEAS—27

| | | |
|----------|---------------|----------------|
| Aiken | Goldwater | Mechem |
| Beall | Hickenlooper | Miller |
| Bennett | Holland | Morton |
| Boggs | Hruska | Pearson |
| Carlson | Javits | Prouty |
| Cooper | Jordan, Idaho | Scott |
| Cotton | Keating | Simpson |
| Dominick | Kuchel | Smith |
| Fong | Lausche | Williams, Del. |

NAYS—57

| | | |
|--------------|--------------|----------------|
| Bartlett | Gore | McNamara |
| Bayh | Hart | Metcalf |
| Bible | Hartke | Monroney |
| Brewster | Hill | Mundt |
| Burdick | Humphrey | Nelson |
| Byrd, Va. | Inouye | Neuberger |
| Byrd, W. Va. | Jackson | Pastore |
| Cannon | Johnston | Pell |
| Church | Jordan, N.C. | Proxmire |
| Clark | Kefauver | Randolph |
| Curtis | Kennedy | Ribicoff |
| Dodd | Long, Mo. | Russell |
| Douglas | Long, La. | Sparkman |
| Eastland | Magnuson | Stennis |
| Edmondson | McCarthy | Symington |
| Ellender | McClellan | Talmadge |
| Engle | McGee | Thurmond |
| Ervin | McGovern | Young, N. Dak. |
| Fulbright | McIntyre | Young, Ohio. |

NOT VOTING—16

| | | |
|----------|-------------|----------------|
| Allott | Mansfield | Smathers |
| Anderson | Morse | Tower |
| Case | Moss | Williams, N.J. |
| Dirksen | Muskie | Yarborough |
| Gruening | Robertson | |
| Hayden | Saltonstall | |

So Mr. MILLER's amendment No. 75 was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SERVICE OF RESERVE OFFICERS IN THE SENATE

Mr. GOLDWATER. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 11, line 4, it is proposed to strike out the word "existing."

Mr. GOLDWATER. Mr. President, I will not ask for a yea-and-nay vote on the amendment. The amendment has nothing to do directly with the pending bill. However, I wished to have an op-

portunity today to submit a resolution and to ask for appropriate action on it. I am prompted to do this only in the interest of Members of the Senate who are members of the Reserve Forces of our military services.

During all the time I have been a Member of the Senate I have had a running argument with persons all over the country and with various editorial writers and members of the various organizations as to the propriety of members of the Reserves being able to serve in the Senate. I do not mention the other body, because the Constitution provides that each body shall be the judge of its own Members. Therefore I am referring only to the Senate.

In article I, section 6, of the Constitution of the United States we find the language:

And no person holding any office under the United States, shall be a Member of either House during his continuance in office.

That is the language in the Constitution which seems to cause all the trouble.

During the past week, in a friendly way, the Washington Daily News, through one of its leading reporters, Jim Lucas, has explored this subject further.

I feel that the time has come for us to either lay this subject on the floor or make a decision as to whether those of us who are active in the Reserve forces of the United States can actually serve in the Senate.

This problem has quite a history. It starts, of course, with the original language in the Constitution. When that language was adopted there were no Reserves in being. There was no National Guard as such. Then in 1861 the decision was made by the House that a Member of the House was "not entitled to his seat since he was mustered into the military services of the United States."

In 1901 we find reference to the active list of the military being prohibited from serving in Congress. It was in 1916 that the last real effort was made to decide this question. In 1916 there were no organized Reserves. There was a National Guard.

In 1916 a House resolution asked the Committee on the Judiciary to investigate the question of Members holding commissions in the National Guard.

The committee's report quoted the following U.S. Supreme Court case which defined "office" as used in article I, section 6 of the Constitution:

In *United States v. Hartwell* (6 Wall. 385), the Supreme Court of the United States said that the term "public office" embodies the ideas of tenure, duration, emoluments, and duties, and that the duties are continuing and permanent, not occasional and temporary.

In that language, I believe, we find an excuse for Reserve officers being allowed to serve in the Senate, because their duties are not continuing and permanent; they are occasional and temporary.

Only at times when the reservist is called to duty may he wear his uniform with propriety; he is not entitled to any

of the prerogatives of the rank he holds, unless he is on active duty.

In 1916 the committee decided:

The only question, then, to be considered is whether as an officer he is disqualified to fill a seat in the House of Representatives of the Congress of the United States. From the earliest time it has been recognized as a plain principle of public policy that "where two offices are incompatible they cannot be held by the same person." Incompatibility exists where the nature and duties of the two offices are such as to render it improper, from consideration of the public policy, for one incumbent to fill both, the rule being that the acceptance of the second office vacates the first. From the further discussion of the duties and requirements of the two offices under consideration it will clearly appear that they are incompatible. The question here presented, however, is not to be determined by any general rule of public policy as promulgated by the courts and dependent upon a finding of incompatibility; but rests upon the plain prohibition contained in the clause of the Constitution already quoted.

No line can be drawn between the large and the small office. The Constitution prohibits a Member of Congress from holding "any office under the United States while a Member of either House." If a Member should hold any office under the United States, the prohibition of the Constitution at once intervenes and declares that he shall not "be a Member of either House."

It follows that the seats of those Members of the House of Representatives who shall accept commissions in the National Guard of the various States under the act of Congress of June 3, 1916, will at once become vacant. The only action necessary would be to declare such vacancy by resolution as a matter of convenience and to aid the Speaker and others in discharging their public duties. It would not change the legal effect of accepting such an office in the National Guard.

That was pretty much the language of the committee's findings in 1916.

The next time this question popped up, to my memory, was in 1921, when we found ourselves with Reserve forces, and the question was raised—I believe it was in the House of Representatives, although it might have been in this body—but was never answered. The Committee on the Judiciary did not act. Therefore, no decision was made, to my knowledge, relative to the propriety of a Member of the Senate who holds a commission in any of the reserves being seated and serving in this body.

Mr. GORE. Mr. President, will the Senator from Arizona yield?

Mr. GOLDWATER. I am happy to yield.

Mr. GORE. The Senator made an interesting observation with respect to compatibility. It seems to me that the heart of that question is whether Members of the Senate who are at one and the same time members of the military Reserve are subject to the command and discipline of the Armed Forces of the United States.

If a Reserve officer is at one and the same time a Member of the U.S. Senate and, in fact, subject to the command, discipline, and disposition of the executive branch of the Government, it seems to me that there is incompatibility. On the other hand, if a Member of the Senate is at the same time an officer in the

Reserve but can waive an order of his superior officer, then he is not, in fact, fully a member of the Armed Forces, but is rather an artificial soldier who is permitted the privilege of wearing the uniform now and then, along with other perquisites.

I am glad the Senator has raised this question. Since it has been raised, I recall to the Senate that at one time—I believe it was last year—a memorandum entitled "The Views of the Three Generals of the Senate" was circulated on the floor of the Senate. There is a real question as to the propriety as well as the constitutionality of this activity.

Mr. GOLDWATER. The Senator from Tennessee has raised a very vital point. This is one of the areas that disturbs me. If it were true that a Member of the Senate were constantly under the command and discipline of another agency, such as the executive branch or the military, I think there would be no question. But the question that arises in my mind stems from the fact that we are not under the command or discipline of the branch of the military in which we serve except at that particular time of the year when we elect to take our 2 weeks of active duty training; and then voluntarily we ask for such training. We are then issued orders, which are required by statute, and we proceed to the various places to which we are assigned to take our training. The fact remains that we are still Members of the Senate. Then it becomes a question of commanding discipline, and that is one of the things which my resolution seeks to have studied, so that there may be no question about it.

This problem has disturbed me for some time. Probably I have been derelict in my duties, both as a Reserve officer and as a Senator, for not having tried sooner to have the question settled.

There are several categories, and that compounds the problem. In one category are the Senator from Nevada [Mr. CANNON] and I believe also the Senator from South Carolina [Mr. THURMOND]. I am not sure about the Senator from New York [Mr. KEATING]. I am advised that he is retired.

Mr. KEATING. The status is called inactive. I do not want to have anyone think that I am retired.

Mr. GOLDWATER. I cannot imagine the Senator from New York being inactive. Nevertheless, there are several categories. I have mentioned two. I have an M-day assignment as Deputy Chief of Personnel for Air Force, at headquarters. The Senator from Nevada [Mr. CANNON] has a similar assignment, not in personnel, but with the Air Force Service Command.

The question arises in my mind in this particular instance: I am in category A. If M-day occurs and the Nation goes to war and I am ordered to duty, I am supposed to report the next day; I cannot take 15 days to have someone replace me.

That happened in the case of former Senator Lodge, when he, serving as a Senator, was called to duty with an armored division, and eventually was assigned to Africa.

But there are other categories. There is the inactive category, whose officers are not required to do any work at all but retain their status. There are other categories that cannot be ordered to active duty, but which still retain their commissioned status. So it cannot be said that command and discipline are exercised over the whole line. The question is one which I believe must be studied before a decision is made.

Mr. GORE. Mr. President, will the Senator further yield?

Mr. GOLDWATER. I am glad to yield.

Mr. GORE. The Senator from Arizona is performing a service in submitting his resolution. Like him, I am anxious to see a disposition of the question. If a Senator is subject to call to active duty, which seems to me to be the very purpose of the Reserve, it would appear that he is subject to the command and disposition of the executive branch of the Government.

Mr. GOLDWATER. If the Senator will allow me to interrupt him, this is another point that adds to the whole problem. The Reserve officer can be in category A and be ordered to duty, but he does not have to go. I do not mind saying that in my particular case and, I believe, in the case of others, we have stated that we would be available but would have to have a little more time to get replacements, which would not be the case with those who are not employed in this particular occupation. There are many facets to the problem which are not easily solved. There are no easy answers. I have had the question examined by legal authorities. There is much disagreement about the status we actually occupy as Reserve officers and as Members of the Senate.

Mr. GORE. I recall one occasion, after I had made a statement about a general officer which was fully supported by facts which I could not reveal, when certain Senators, who likewise held the rank of general, made very caustic and critical remarks. Did they feel called upon to make those remarks because they were Senators or because they were generals? I say there is a question of incompatibility. I am pleased to know that the Senator from Arizona will submit a resolution on this subject. The large number of Members of Congress who hold Reserve commissions presents a serious problem of political influence, of constitutionality and of propriety.

Mr. GOLDWATER. If we assume that there is incompatibility because of a conflict of interest, that characterization can be applied with a broad brush across the whole Chamber, forgetting the status of Reserve officers, but remembering that we come into this body with some impact having been made upon our lives before we came here. We are lawyers, bankers, merchants. Some of us are in the cattle business. We cover a pretty broad spectrum. I have yet to see in this body a Member motivated in his voting by preconceived or previously felt forces that might act upon him. If that were the issue, I would have to violently resist any change which it was felt might be

needed. I am happy to notice that the Washington Daily News of May 14, 1963, gives us this grace. By the way, Representatives BOLLING and FORD have urged the same action in the other body, but I do not believe they have urged it with a resolution. The News editorial states, in part:

Neither they, nor we, suggest reservist-Congressmen are up to anything illegal or immoral.

I do not care how hard we may try to forget the services in which we served; we do not forget them. I see in the Chamber the Senator from Louisiana [Mr. LONG], who has a very fine record in the U.S. Navy. Certainly the old Navy tie is felt rather tightly around his neck; but I have never known that fact to influence him in any decision he has made. It is very difficult, in fact, to find a Member of Congress who has not at some time served in the military service. For example, the majority leader served in the Marines, and so did the Senator from Illinois [Mr. DOUGLAS]; and when matters pertaining to the Marines come to this floor, they very correctly, with their knowledge, debate—one way or the other—the issue of what might happen to the Marines; and those of us who served in the Air Force have a similar feeling.

I suggest to the Senator from Tennessee that that feeling cannot be erased; and I hope he will decide, in his generous and wise way, that we are not overly influenced to the point that we shall be caustic because we happen to hold a commission in the Reserves. Whenever I have remarks to make about the Defense Department or anything affecting it, regardless of whether those remarks are caustic or are sweet, they are prompted more by deep concern for the Government and the country, regardless of which branch of the service may be affected.

Now that this situation has been allowed to develop, the question is whether it is unconstitutional or constitutional. That is why I am asking that the Judiciary Committee make a review of this subject—because, as I have said, such a review has not been made since 1916.

If the Committee decides that Members of Congress who hold commissions in the Reserves are not in violation of the Constitution, then we can say to our friends around the country who criticize us that it has been decided that we are proceeding properly.

On the other hand, inasmuch as the Senate is the judge of the qualifications of its own Members, if the "judge" decides that a Member of the Senate cannot serve in the Senate at the same time that he is serving as an officer in the Reserves, that is a very clear decision and instruction—as clear as the sun in the sky; and I am sure that we would follow such admonition—although it would come to me with some regret, because I have spent nearly 34 years of my life working hard in the Reserve, and I have enjoyed it—as I think all other Senators who have served in the Reserve have enjoyed it. But if we are wrong, let us know that. However, I hope it will be found that we are right.

Mr. HICKENLOOPER. Mr. President, will the Senator from Arizona yield?

The PRESIDING OFFICER (Mr. RIBICOFF in the chair). Does the Senator from Arizona yield to the Senator from Iowa?

Mr. GOLDWATER. I am happy to yield.

Mr. HICKENLOOPER. I did not hear all of the Senator's statement; but do I correctly understand that the question of constitutionality has been raised because of a Senator's holding a position of honor or profit—in this case, a commission in the Reserves—in addition to being a Member of the Senate?

Mr. GOLDWATER. It is merely a question of the proper interpretation of the constitutional provision:

No person holding any office under the United States, shall be a Member of either House during his continuance in office.

Mr. HICKENLOOPER. That question has been raised before. Several years ago I had some interest in it, when I was a Reserve officer, until age and other things caught up with me. But it runs in my mind—although I am not clear about this—that that question was quite extensively examined, briefed, and reviewed a number of years ago, and that in some way there was developed a holding that categories of that kind did not come within the areas prohibited by the Constitution, insofar as holding office is concerned.

I do not know; I have not recently researched this question. But it runs in my mind that that did happen, because I know there was a question about holding State office and whether a Member of Congress who held such an office was holding a position of honor or profit—the words of art which I believe are used in some of the statutes—and whether members of the Reserve Forces who are subject to call are in violation of that provision.

I believe it was then determined that such service is not a violation; but I do not recall. Did the Senator from Arizona go into that question?

Mr. GOLDWATER. Before the Senator from Iowa came to the Chamber, I said that the last ruling on this question, so far as I know, was made in 1916, when it was held that a Member of the House could not hold a commission in the National Guard. At that time there were no Reserves.

In 1921 an effort was made—in the House of Representatives, I believe—to reach a determination in regard to the status, in connection with this constitutional provision, of a Member of Congress who held a commission as a Reserve officer. But that question was never decided. In the investigation which my staff has made in this connection, they have not found anything else in the interim.

Mr. HICKENLOOPER. Mr. President, from my personal viewpoint, I would give no great validity to the argument that a Member of Congress who holds a commission in the Reserve Forces or who serves in some other capacity in the Reserve Forces is subject to undue influence in his thinking, merely because of that service, any more than a person who

owns a farm and raises cattle, hogs, corn, and feed grains—a subject we are now considering—should, because of that fact, be barred from membership in the Senate.

I believe that if membership in this body were to be limited to persons who have nothing, never had anything, have no economic interests of any kind, it would be necessary to go to the lower Bowery to find persons to serve in these legislative halls.

However, my only question is whether a Member of Congress who holds a commission in the Reserves is holding two offices, contrary to the intentment of the Constitution, or perhaps contrary to laws enacted under authority of the Constitution.

Mr. GOLDWATER. That is the sole question which is in my mind.

I do not believe that any Member of the Senate is over activated by what he did before he came to the Senate, in forming his judgments as to how he should vote as a Senator. But that issue has not been raised in any discussions I have had with members of the press or with other interested persons. The question is merely whether service as a Reserve officer constitutes, for one who is a Member of the House or the Senate of the United States, holding another job in the Federal Government. In order that that question may be resolved, I am submitting the following resolution:

Resolved, That the Committee on the Judiciary is authorized and directed to conduct a full and complete inquiry to determine whether the holding of a commission as a Reserve member of any of the Armed Forces by any individual is incompatible with the holding of office by such individual as a Member of the Senate, and to report to the Senate at the earliest practicable time its findings and its conclusions thereon.

Mr. President, that is all I have to say on this subject. As I have said, I have acted on my own responsibility as one Member of this body who is a Reserve officer. I believe there are 175 Members of Congress who are reservists and are active to a greater or lesser degree. The Navy, the Army, and the Air Force have Reserve units on Capitol Hill, for the purpose of enabling reservists to keep up their points, which are required in order to retain eligibility and to retain their commissions, and to be eligible for promotion, when promotions are available.

I talked with some of my colleagues who hold Reserve commissions. I have assured them that what I am doing is done on my own responsibility. It is not done to embarrass them. As the saying goes, "Don't put the monkey on my back." We will see where we wind up.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. THURMOND. Mr. President, I ask unanimous consent that I may be permitted to join as a cosponsor of the resolution, if that meets with the approval of the Senator from Arizona.

Mr. GOLDWATER. I would be very happy to have the Senator from South Carolina cosponsor the resolution.

Mr. President, I send my resolution to the desk and ask unanimous consent that it be referred to the Committee on the Judiciary.

There being no objection, the resolution (S. Res. 142), submitted by Mr. GOLDWATER (for himself and Mr. THURMOND), was received and referred to the Committee on the Judiciary, as follows:

Resolved, That the Committee on the Judiciary is authorized and directed to conduct a full and complete inquiry to determine whether the holding of a commission as a Reserve member of any of the armed forces by any individual is incompatible with the holding of office by such individual as a Member of the Senate, and to report to the Senate at the earliest practicable time its findings and its conclusions thereon.

Mr. GOLDWATER. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment of the Senator from Arizona is withdrawn.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. WILLIAMS of Delaware. Mr. President, I offer an amendment, which I send to the desk, and ask that it be stated.

The LEGISLATIVE CLERK. At the appropriate place in the bill it is proposed to add the following:

Notwithstanding the provisions of the regulations issued in the Federal Register of March 1, 1963, the Secretary of Agriculture shall not require any employee of the Department of Agriculture, including elected county committeemen or alternate county committeemen, to sign any pledge that "he will support the program he is called upon to administer."

Mr. WILLIAMS of Delaware. Mr. President, the purpose of the amendment is to override that provision of the order which is included in the Federal Register of March 1, wherein it is directed as follows:

Provided, however, That before any such committeeman or alternate committeeman may take office, he shall sign a pledge that he will faithfully, fairly, and honestly perform, to the best of his ability, all of the duties devolving upon him as a committeeman, and he will support the programs he is called upon to administer.

This amendment would declare void that last phrase of the regulation wherein the committeeman would be required to sign a pledge that he would support the programs which he is called upon to administer before they will allow him to assume office.

I do not know why there should be any objection to this amendment. When the Senator from Vermont raised the question during the committee hearings the Secretary of Agriculture tried to say that he had no intention of using the oath to enforce discipline on the committeeman. If he does not intend to use it then what would be the objection to accepting the amendment?

I am very much concerned about this demand for this oath because I am not unmindful of the fact that this is not the first time the Secretary of Agriculture has tried to take control not only of county committeemen but of all the employees of the Department of Agriculture, including even civil service em-

ployees. His plan was to make them take orders and support the administration's program regardless of their personal beliefs.

This was the first time in American history that any administration has had the audacity to try to control the minds of men.

A similar effort was made about a year ago, and it then put into the RECORD a copy of the order which had been sent out by the Secretary of Agriculture. At that time it was supported by a ruling from the Chairman of the Civil Service Commission, Mr. Macy. I quote from that ruling of March 1962:

A more difficult decision is faced when new or changed programs are pending before Congress in the form of proposed legislation. Definitive statutory language prohibits the use of appropriated funds for publicity or propaganda designed to support or defeat legislation pending before Congress. Such language clearly limits the career official's position of possible support of or opposition to new or amendatory legislation. Aware of these implications, however, the career official may explain the position of the administration in the proposed legislation before interested public groups.

I repeat the key sentence in this new ruling:

Aware of these implications, however, the career official may explain the position of the administration in the proposed legislation before interested public groups.

There can be no question but that the law specifically prohibits the use of appropriated funds for publicity or propaganda purposes either to support or to defeat legislation pending before Congress.

Under this ruling the Kennedy administration was saying one half of this law will be waived and the Civil Service employees can speak in favor of the administration's legislative proposals but not against them.

Under that ruling a question was raised as to the propriety, first, of using civil service employees to explain the position of the administration; second, the propriety of making these employees explain the proposed programs in a manner favorable to the administration. At the same time they restricted them from opening their mouths before any public body if they were in opposition to a program.

Upon learning of that ruling I wrote to the Attorney General and asked him whether or not such a ruling was legal, and if it were legal what would happen to an employee who was ordered to speak before interested public groups in favor of the administration's program, but who was opposed to the program and wanted to exercise his rights as a citizen to so state his position.

In a reply dated March 22, 1962, the Attorney General said:

The legal considerations pertinent to your question concerning a career employee's publicly expressed opposition to an administration's legislative recommendation are to a large extent the same as those discussed above. But, granting the legality of such public action in a particular instance, I believe it would nevertheless constitute a serious impropriety. Although a career official is entitled and expected to present his independent views to his superiors, they in turn

are entitled to his cooperation and support in respect of a policy once it is settled. And they are entitled to that cooperation and support from him even though he may not agree with the policy. Whatever may be proper for such an official acting in a clearly private capacity, I think it would be a distinct breach of his duty as a career official to use his official position publicly to oppose the policies of the administration he serves.

That was a clear effort on the part of the Department of Agriculture, supported by the Attorney General of the United States, to force civil service employees to speak on behalf of the New Frontier farm program. They were ordered to support the administration's program no matter how disastrous they might feel the program was, or how injurious it might be to the country and the farmers as a whole.

That ruling was called to the attention of Congress, and we were on the verge of adopting an amendment that would have nullified that arbitrary ruling; but fortunately, before we had a vote on it, we received a call from Commissioner Macy that he was rescinding or canceling the ruling. The Senate did not have to vote since the order was withdrawn.

However, even though that order was withdrawn we find the Department has now found a new way to bypass the law. The Senator from Iowa has shown us that undue pressure was brought by the Secretary of Agriculture upon the committeemen, trying to make them go out and support the administration's proposal.

This is bureaucratic arrogance at its worst.

In the Federal Register we find that county committeemen who are elected by the farmers—and I emphasize that they are elected by the farmers—the Secretary has said that before such elected committeemen can assume the duties of their office they must take an oath in writing to the effect that they will support the administration's proposals.

That is rather farfetched. I am sure the members of the President's own party who are sitting in Congress and who were elected in the same year that the President was, would certainly revolt at any suggestion that they should sign a pledge before they could become Members of the Senate that they would support everything that the Kennedy administration proposed. Who ever heard of such arrogance? Yet that is what the county committeemen, who are elected by the farmers, presumably to carry out the farmers' wishes, are required to do. The Secretary in effect is saying "You can elect them, but they cannot take office unless they pledge to support my position and my programs."

I do not think any people—not even those in Russia—would stand for that.

Mr. AIKEN. Oh, yes; they do.

Mr. WILLIAMS of Delaware. You are right; Khrushchev would give the orders, and they would take it. But we do not have to take it here. This is still a free country despite the desire of some young bureaucrats.

I cannot see why there should be any objection whatever to accepting this

amendment. I repeat that if the Secretary of Agriculture, Mr. Freeman, does not intend to use the loyalty oath then why does he oppose the amendment. Let him tell us that he is rescinding that loyalty oath as stated in the Federal Register, and I shall withdraw the amendment. But in the absence of his withdrawing the oath I shall certainly insist upon a vote on the amendment. It would be disastrous to the agriculture program to let word go out from here that we are condoning the principle that committeemen who are elected by the farmers must take a pledge to support every program Secretary Freeman or the Kennedy administration can dream up.

I certainly would not want anyone in any administration to be so dictatorial as to tell the farmers that he must fall in line or start marching in goose-step fashion just to please some New Frontier bureaucrat.

I am amazed that anyone would support such an un-American proposal.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. AIKEN. I wish to point out that while the Secretary would require all the county and community committeemen to support the programs they are called upon to administer, not all the programs which they are called upon to administer are necessarily programs laid down by the Congress. For instance, the Department of Agriculture has what it calls educational programs, if the Senator knows what I mean. Sometimes those are not in full accord with the intent of the Congress, and sometimes they have very little to do with the program which the Congress thought it was laying down. Nevertheless, the Secretary would ask the committeemen to take a pledge that they would support these educational programs of the Department of Agriculture. What that means is, "You will take a pledge to support the party in power, even though you are elected by farmers a majority of whom perhaps are members of the other party."

Then Mr. Freeman says, "If they can't do that they should get off the committee. If they do not believe in the programs in question"—these educational programs—"they ought not stand for election; they ought to get off the committee." And the Secretary intimates very strongly that he might exercise his authority to throw them off the committee. He would have the power to do that.

The Senator may recall that in the committee I remonstrated somewhat. I stated:

However the committeemen elected by the farmers are elected by the farmers of the community and of the county?

Secretary FREEMAN. That is correct.

Senator AIKEN. They are elected by them?

Secretary FREEMAN. Yes.

Senator AIKEN. Should they not represent the views of the farmers in their community or what?

Secretary FREEMAN. Well, that is a good question.

Then I stated:

I would say that it is an excellent one.

In other words, if these people cannot carry on the educational campaign, so-called, such as educating the wheat-growers into realizing they should go along with the advice of the New Frontier, in order to be rewarded with twice as much money as they would get if they went against the New Frontier, they should not serve.

It seems to me that the Senator from Delaware is absolutely correct in attempting to block this effort to compel the committeemen to support the educational and other programs of the administration which the Secretary may call upon them to carry out.

Mr. WILLIAMS of Delaware. I thank the Senator from Vermont. Not only does the Secretary reserve the right to fire these men but also in the directive he says that before any such county committeeman or alternate committeeman may take office he shall sign a pledge that he will support his programs. He is going to make sure that they sign those pledges.

Mr. AIKEN. Would that pledge require witnesses? Would it be before a notary?

Mr. WILLIAMS of Delaware. I would not be surprised, although I do not know. I have not seen a copy of the pledge. However, it is to be a pledge that this committeeman will support Orville Freeman and the Kennedy administration in all their programs, and he must sign that pledge.

Mr. AIKEN. He could not promise it over the telephone, then.

Mr. WILLIAMS of Delaware. No, they do not trust him that far. He would have to sign it.

There was much objection raised by liberals in the administration and Congress a few years ago over the requirement put into the college loan program that applicants had to sign a loyalty oath that they would be loyal to the United States of America. There was a whale of a lot of objection raised in the press and throughout the country with respect to that requirement. That was merely a person signing that he would be loyal to the United States of America. Certainly, no American citizen would mind signing that he would be loyal to the United States of America and would support the Constitution.

But this is a pledge, not with respect to being a loyal American citizen, not with respect to being loyal to or supporting the Constitution, but instead a pledge that he will support the New Frontier administration, the Kennedy administration, in whatever Secretary Freeman dreams up in Washington and tells the farmers. He wants them to click their heels and go out and support his programs. Remember under his present orders these committeemen must sign in advance that they will support him; otherwise he will not allow them to take office.

I suppose he will next want a commitment that they will vote a certain way in the national elections.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. COTTON. I think the Senator is rendering a conspicuous service. I hope the Senator will not use up all of his time, so that, if necessary, he may suggest the absence of a quorum in order to ask for the yeas and nays. I think every Member of the Senate ought to have a golden opportunity at this point to strike a blow for liberty.

Mr. WILLIAMS of Delaware. Mr. President, I was going to ask for the yeas and nays.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the amendment. The Senator is going to do so, anyway.

Mr. WILLIAMS of Delaware. Mr. President, I ask for the yeas and nays, and I reserve the remainder of my time.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, it is not my purpose to take the time of the Senate to discuss this amendment. It was debated at length earlier today, and yesterday as well. I reiterate that the Secretary of Agriculture has not yet required any oath. That is merely a suggestion which was made by a bipartisan committee, which has studied this question over many months. It was published in the Federal Register. I understand the Secretary of Agriculture is now considering it. The language of the so-called pledge has never been developed and no one has ever been asked to sign any such pledge.

I am sure that my good friend from Florida [Mr. HOLLAND] remembers that he made some suggestions to the Secretary, and the Secretary said he would take them under consideration.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HOLLAND. I remember full well that I stated both on the record, as shown by the hearings, and off the record, as the Senator will recall, that I thought it was very unfortunate to have the wording to require the loyalty oath to be in such a form that a committeeman would be required to take an oath that he would support the program. There was general agreement that that wording was unfortunate, and the Secretary said he thought it was a good suggestion.

Mr. ELLENDER. That was the Senator's suggestion.

Mr. HOLLAND. That was my suggestion.

Mr. ELLENDER. Exactly.

Mr. HOLLAND. It was a friendly suggestion.

Mr. ELLENDER. Yes.

Mr. HOLLAND. It was a suggestion which I think should be followed. When the time comes that growers cannot select someone who represents their own philosophy, whether that philosophy be in accord with what Congress voted or what the Secretary wants, it will not be a very good time in this free country of ours. I think the chairman of the committee agrees with me on that point.

Mr. ELLENDER. Mr. President, in the light of what was stated before the committee—and, I am sure, in the light of many letters that the Secretary has received on the subject—the Secretary

may not require this oath. This is only a suggestion made by the committee. As I said, it has not been put into effect yet. I see no reason to put it in this bill. It has no business in the bill. I ask that the Senate vote down the amendment.

Mr. WILLIAMS of Delaware. Mr. President, I respect the position of the Senator from Louisiana, but this requirement has been put into effect.

Mr. ELLENDER. No.

Mr. WILLIAMS of Delaware. Oh, yes, it has already been published in the Federal Register. If the Secretary had no intention of using it, why should he put it there?

I would not be so suspicious, perhaps, except that, as I pointed out, this is the second time he has tried to exercise such authority. A year ago he tried to do the same thing, only then it was not only with respect to the committeemen but also with respect to all civil service employees in the Department of Agriculture. I wish to quote what the Attorney General of the United States said in connection with that earlier order. He upheld it. The Attorney General happens to be a brother of the President of the United States. I quote.

I think it would be a distinct breach of his duty as a career official to use his official position publicly to oppose the policies of the administration he serves.

What more evidence do we need to show the intent of the administration to make these employees click their heels and fall in line?

I say that we must protect both these employees and the American farmers. If we do not, we shall leave it so that all employees will be fearful that they will lose their jobs unless they sign this pledge. What is even worse, we will have taken another vital step toward destroying the freedom of the American farmers.

I recognize the desire of the Senator from Louisiana not to have this bill amended. I am opposed to the bill, so one might say that my interest is a dual interest—to put an amendment on the bill and to make it go to conference.

Mr. ELLENDER. To defeat the bill.

Mr. WILLIAMS of Delaware. But as evidence of my offering the amendment in good faith I shall suggest that a vote on it go over until tomorrow. The Secretary has been quoted here today as saying that he is not going to use the regulation. Then let the Secretary overnight send us a letter that he is rescinding this order in the Federal Register and that it is not going to be used. I will trust him as far as he trusts the committeemen so I will ask him to put it in writing. If that is done by tomorrow when the Senate convenes I will withdraw the amendment. If that is not done I have no alternative but to insist on a vote.

Can it be that the administration is trying to build a vast bureaucratic machine to help it win the next election?

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. AIKEN. Since the Secretary has already shown himself to be such a well qualified letter writer, and in view of the

letter he wrote to the junior Senator from Connecticut stating, by inference, that if we would not adopt a certain amendment which I had offered, he would do it anyway, would it not be well to give the Secretary an opportunity to write another letter, now that he has demonstrated his ability to write letters, saying that if we reject the amendment offered by the Senator from Delaware, he will not require this pledge of personal allegiance, which seems to be the purpose of the order we read in the Federal Register? I think he would write one if we only gave him time.

Mr. WILLIAMS of Delaware. He should.

As yet I have not heard any Senator defend this regulation. If it is not to be used and no one defends it, why not take it out? In fact, why did the Secretary issue such an order in the first place?

I make this suggestion to the majority leader. Let the vote on this amendment go over until tomorrow. Some other amendment could be offered and discussed in the meantime. We could proceed on my amendment tomorrow morning, if in the meantime the Secretary has not clarified his intention. I will ask unanimous consent to withdraw the amendment at this time as I have no intention of embarrassing him.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. HRUSKA. Would such a letter state that he would not enforce the regulation, or does the Senator mean to cancel it or remove it from the body of regulations?

Mr. WILLIAMS of Delaware. To remove it.

Mr. HRUSKA. If there is to be no enforcement of it, there is no reason to have it in the body of regulations.

Mr. WILLIAMS of Delaware. That is correct. This is exactly the same issue that was before the Senate a year ago when the chairman of the Civil Service Commission, Mr. Macy, issued the other ruling. He then revised the ruling and recognized the impropriety of it. I am not trying to embarrass the Secretary, but this change is essential. In this case if we do not nullify his orders we shall be recognizing his right to require the committeemen who are elected by the farmers to sign a pledge to support the Kennedy administration in all its policies, no matter what they think of them.

Mr. HRUSKA. I commend the Senator from Delaware for bringing this amendment up for consideration. He is rendering a real service. In good faith, he has demonstrated that he is not resorting to this procedure as a dilatory tactic, but is agreeing to withdraw the amendment on assurance from the Secretary with respect to a proposal which has not had any support on the floor that I have heard.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. HICKENLOOPER. I fail to understand the reasoning behind the statement made by the chairman of the committee a moment ago that this pro-

vision has not been put into effect. It was published in the Federal Register of March 1, 1963, for the first time in history. It is in effect. It is a part of the regulations. I assume it is placed in the Federal Register under the authority claimed by the Secretary of Agriculture; and it has the force and effect of law.

Mr. WILLIAMS of Delaware. There is no question about it. It is in effect now and will remain in effect unless we cancel it.

Mr. HICKENLOOPER. It is in effect.

Mr. WILLIAMS of Delaware. And since it is in effect before any committeeman or alternate committeeman shall take office, he shall sign a pledge that he will support the programs he is called upon to administer. Never in the history of the Department has there been any such requirement as that.

I will ask that action on amendment be carried over until tomorrow morning to see if the Secretary, who has been quoted here this afternoon as having no intention of enforcing this regulation, will cancel it voluntarily. If that is done I will withdraw the amendment tomorrow. I would much rather see the question settled in that way; but if we do not settle it that way I think the Senate would be derelict in its duty if it did not insist on this regulation being nullified by our vote.

Mr. HICKENLOOPER. I think the Senator from Delaware has suggested a very wise and sensible proposal. The Secretary has been quite free with communicated opinions and statements as to what he will do or will not do, notwithstanding the law or anything else.

I think this is a very proper way in which to have his views expressed. There has been some indication that he has no intention of using this requirement. But I agree with the Senator that it would be appropriate if he wrote another letter, referring to this statement, and saying that while this regulation appears in the Federal Register, it is his intention not to enforce it. That would probably change the complexion of the Senator's amendment.

I think the request is quite reasonable.

Mr. WILLIAMS of Delaware. In light of this colloquy would the majority leader have any objection to carrying this amendment over with the understanding that tomorrow it will be in the same status as now? We are not asking for additional time. If in the meantime the Secretary will cancel the order the amendment will be withdrawn.

Mr. MANSFIELD. Mr. President, I would have to object. I will say to the distinguished Senator from Delaware that had a proposal of this kind been discussed ahead of time, consideration would have been given to the suggestion. Whether it would have been approved or not, I do not know. But so long as the proposal has been brought before the Senate, I think we ought to face it. I realize it is going to be embarrassing to some people, but I am prepared to vote against the amendment of the Senator from Delaware. I hope the Senate will come to a vote on it soon.

Mr. WILLIAMS of Delaware. Mr. President, I have no alternative but to proceed to a vote if that is the sentiment of the majority leader, but I point out again to Senators who vote against the amendment that there should be no misunderstanding as to what is at stake. The Attorney General himself has already stated he would consider it a distinct breach of the duty of any career official to oppose publicly the policy of the administration in which he serves.

That statement was made in connection with an earlier attempt to impose a similar restriction. Sure, later that action was rescinded as a result of debate in the Senate. The same principle is involved here today.

If the Senate rejects this amendment, it will be giving to the Secretary of Agriculture the authority to let the farmers elect their committeeman, but after they are elected, to prevent them from taking office unless they pledge to support all of the Kennedy administration's proposals. After they are elected, should they refuse to sign the pledge, they would not be allowed to take office. The Kennedy administration is saying to the farmers, "You can elect these men, but they will be under our orders." In America these are supposed to be free elections. We hear much about having free and clean elections. Surely, there could not be any more restricted elections than those being asked for by the administration, and I am amazed that the Attorney General, who boasts of his liberal position and desire for free elections, would ever uphold the Secretary of Agriculture in any such grab for power.

Mr. President, I ask unanimous consent that my letter to the Attorney General asking his position on a similar proposal that was made last year and his reply thereto be printed at this point in the RECORD. Following these two letters, I ask that a copy of section 509 and section 1913 of this United States Code, dealing with this question, be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEBRUARY 27, 1962.

Hon. ROBERT F. KENNEDY,
The Attorney General,
Washington, D.C.

MY DEAR MR. ATTORNEY GENERAL: Under date of January 10, 1962, Mr. John W. Macy, Jr., Chairman of the U.S. Civil Service Commission, issued a new ruling (a copy of which is enclosed) which grants to career officials as well as to Presidential appointees the right to propagandize—or as he says "explain"—before interested public groups the position of the administration on proposed legislation.

In connection with this ruling I would appreciate an answer to the following question:

1. In the opinion of the Department of Justice is this ruling legal?

Should your Department uphold the legality of this ruling I would appreciate answers to these questions:

1. Can career employees who may differ with the position of the administration speak before interested public groups in opposition to the administration's position on pending legislation without any fear of retaliation or without jeopardizing the security of their position?

2. In the Commission's ruling reference is made to the right of career employees to speak before "interested public groups." Would not the term "interested public groups" include political meetings, since we all recognize political groups as being most interested in all legislative proposals?

Yours sincerely,

JOHN J. WILLIAMS.

DEPARTMENT OF JUSTICE,
Washington, March 22, 1962.

Hon. JOHN J. WILLIAMS,
U.S. Senate, Washington, D.C.

DEAR SENATOR WILLIAMS: This is with further reference to your letter of February 27, 1962, concerning the appearances of career employees of the Government before public groups to explain the position of the administration on proposed legislation.

Your main question is whether such appearances are legally permissible, and arises from a comment on this subject made by John W. Macy, Chairman of the Civil Service Commission, in his advisory memorandum of January 10, 1962, to the Government departments and agencies.

The two laws which have the most bearing on the activity you inquire about are section 9 of the Hatch Act (5 U.S.C. 118i) and the Appropriations Act provision referred to by Mr. Macy, section 509 of the General Government Matters, Department of Commerce and Related Agencies Appropriations Act, 1962 (Public Law 87-125). I find nothing in the language of these statutes which renders it illegal for a career official to make an explanation of an administration legislative proposal or position to a public gathering. And I find nothing in the legislative histories of the statutes which points to the conclusion that an informational presentation of this kind was intended to be prohibited. Moreover, other acts of Congress point to the opposite conclusion since they plainly recognize the necessity for and authorize informational and educational activities on the part of executive departments and agencies.

Administrations going back many years have utilized career officials to inform the public concerning pending legislation, for these officials are often the only ones available or the ones best qualified for this work. It must be remembered in this connection that the President has constitutional responsibilities in the legislative arena. He has a duty to report to the Congress from time to time, to recommend legislation and actively to seek its enactment. Unless career employees may be given educational and informational assignments in this area of executive endeavor, the President will be hampered in the discharge of his responsibilities and the public itself will suffer.

The legal considerations pertinent to your question concerning a career employee's publicly expressed opposition to an administration's legislative recommendation are to a large extent the same as those discussed above. But, granting the legality of such public action in a particular instance, I believe it would nevertheless constitute a serious impropriety. Although a career official is entitled and expected to present his independent views to his superiors, they in turn are entitled to his cooperation and support in respect of a policy once it is settled. And they are entitled to that cooperation and support from him even though he may not agree with the policy. Whatever may be proper for such an official acting in a clearly private capacity, I think it would be a distinct breach of his duty as a career official to use his official position publicly to oppose the policies of the administration he serves.

In relation to your third question it is to be noted that section 9 of the Hatch Act and civil service rule IV prohibit career em-

ployees of the executive branch from engaging in political management or in political campaigns of a partisan character. The Civil Service Commission has held that those subject to the act and the rule may not address a political club, group, or organization on political party matters. Thus a career official should refrain from public appearances before such groups under conditions which suggest participation as a partisan in matters of concern to political parties and their candidates.

Considering Mr. Macy's memorandum in the light of the foregoing, I believe you will find it reasonable. He was careful to note the impact of the General Appropriation Act and pointed out that a career official may "explain" an administration position. I find no suggestion in this statement that a career official may safely embark, or be asked to embark, on a course of partisan or high-pressure activity.

I trust that the foregoing discussion will be of interest and service to you.

Sincerely,

NICHOLAS DEB. KATZENBACH,
Assistant Attorney General,
Office of Legal Counsel.

There are two laws dealing with this subject:

Section 509 of the General Government Matters, Department of Commerce, and Related Agencies Appropriation Act, 1962, approved August 3, 1961 (Public Law 87-126): "No part of any appropriation contained in this or any other Act, or of the funds available for expenditure by any individual, corporation, or agency included in this or any other Act, shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress."

Section 1913, "Lobbying With Appropriated Moneys," from title 18 of the United States Code:

"No part of the money appropriated by any enactment of Congress shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation; but this shall not prevent officers or employees of the United States or of its departments or agencies from communicating to Members of Congress on the request of any Member or to Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business.

"Whoever, being an officer or employee of the United States or of any department or agency thereof, violates or attempts to violate this section, shall be fined not more than \$500 or imprisoned not more than one year, or both; and after notice and hearing by the superior officer vested with the power of removing him, shall be removed from office or employment" (June 25, 1948, ch. 645, 62 Stat. 792).

Mr. HICKENLOOPER. Mr. President, if the Senator will yield, in verification of what the Senator has said, another regulation appears in the same issue of the Federal Register for March 1, 1963, entitled "Secretary; Administrator, or Deputy Administrator, not precluded from exercising authority." In that regulation he clearly set out that the Secretary or his subordinate can dis-

place, replace, or remove any committeeman at any time he desires. So the farmers will have to elect someone who will support the administration's policy. The Secretary, at his whim or caprice, can fire him at any time he wishes. So what right do the farmers have in selecting people of their own choosing to assist them in the administration of the laws enacted by Congress? These two provisions together are completely dictatorial authority over any kind of freedom or discretion by these people. I think the case is complete with respect to these two provisions and that the Senator's amendment should be adopted.

Mr. ELLENDER. Mr. President, I yield back the remainder of my time.

Mr. WILLIAMS of Delaware. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware [Mr. WILLIAMS]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ANDERSON (when his name was called). On this vote I have a pair with the senior Senator from Oregon [Mr. MORSE]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Tennessee [Mr. KEFAUVER], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Oregon [Mr. MORSE], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], the Senator from Georgia [Mr. TALMADGE], the Senator from New Jersey [Mr. WILLIAMS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that, if present and voting, the Senator from New Jersey [Mr. WILLIAMS] and the Senator from Texas [Mr. YARBOROUGH] would each vote "nay."

On this vote, the Senator from Tennessee [Mr. KEFAUVER] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Tennessee would vote "nay," and the Senator from Colorado would vote "yea."

On this vote, the Senator from Minnesota [Mr. MCCARTHY] is paired with the Senator from Kentucky [Mr. MORTON]. If present and voting, the Senator from Minnesota would vote "nay," and the Senator from Kentucky would vote "yea."

On this vote, the Senator from Maine [Mr. MUSKIE] is paired with the Sen-

ator from Massachusetts [Mr. SALTONSTALL]. If present and voting, the Senator from Maine would vote "nay," and the Senator from Massachusetts would vote "yea."

On this vote, the Senator from Utah [Mr. MOSS] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Utah would vote "nay," and the Senator from Texas would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from New Jersey [Mr. CASE], the Senator from Illinois [Mr. DIRKSEN], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Massachusetts [Mr. SALTONSTALL] is detained on official business.

The pair of the Senator from Illinois [Mr. DIRKSEN] has been previously announced.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Tennessee would vote "nay."

On this vote, the Senator from Kentucky [Mr. MORTON] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from Kentucky would vote "yea," and the Senator from Minnesota would vote "nay."

On this vote, the Senator from Massachusetts [Mr. SALTONSTALL] is paired with the Senator from Maine [Mr. MUSKIE]. If present and voting, the Senator from Massachusetts would vote "yea," and the Senator from Maine would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Utah [Mr. MOSS]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Utah would vote "nay."

The result was announced—yeas 34, nays 48, as follows:

[No. 79 Leg.]

YEAS—34

| | | |
|-----------|---------------|----------------|
| Aiken | Ervin | Miller |
| Beall | Fong | Mundt |
| Bennett | Goldwater | Pearson |
| Boggs | Hickenlooper | Prouty |
| Brewster | Holland | Robertson |
| Byrd, Va. | Hruska | Scott |
| Carlson | Javits | Simpson |
| Cooper | Jordan, Idaho | Smith |
| Cotton | Keating | Thurmond |
| Curtis | Kuchel | Williams, Del. |
| Dominick | Lausche | |
| Eastland | Mechem | |

NAYS—48

| | | |
|--------------|--------------|----------------|
| Bartlett | Hart | McIntyre |
| Bayh | Hartke | McNamara |
| Bible | Hayden | Metcalf |
| Burdick | Hill | Monroney |
| Byrd, W. Va. | Humphrey | Neuberger |
| Cannon | Inouye | Pastore |
| Church | Jackson | Pell |
| Clark | Johnston | Proxmire |
| Dodd | Jordan, N.C. | Randolph |
| Douglas | Kennedy | Ribicoff |
| Edmondson | Long, Mo. | Sparkman |
| Ellender | Long, La. | Stennis |
| Engle | Magnuson | Symington |
| Fulbright | McClellan | Young, N. Dak. |
| Gore | McGee | Young, Ohio |
| Gruening | McGovern | |

NOT VOTING—18

| | | |
|-----------|----------|----------------|
| Allott | McCarthy | Saltonstall |
| Anderson | Morse | Smathers |
| Case | Morton | Talmadge |
| Dirksen | Moss | Tower |
| Kefauver | Muskie | Williams, N.J. |
| Mansfield | Russell | Yarborough |

So the amendment of Mr. WILLIAMS of Delaware was rejected.

Mr. ELLENDER. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COTTON obtained the floor.

Mr. KUCHEL. Mr. President, will the Senator from New Hampshire yield to me for a moment?

Mr. COTTON. I yield.

Mr. KUCHEL. Mr. President, I should like to ask the majority leader how much longer he proposes that Senators labor in the vineyard this evening, and what his plans are for our exertions tomorrow.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, first, I ask unanimous consent that when the Senate recesses tonight, it recess until 10 o'clock tomorrow morning—which is a relatively late hour for a Thursday morning.

Mr. KUCHEL. That will be very difficult.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HICKENLOOPER. Mr. President, was consent given to that request?

The PRESIDING OFFICER. Consent was given.

Mr. MANSFIELD. Does the Senator wish to come in earlier?

Mr. HICKENLOOPER. No; if the Senate is to remain in session until the wee hours of tomorrow morning, it seems to me that to reconvene at 10 o'clock tomorrow morning will be rather early. If we are to finish soon, I have no objection.

Mr. MANSFIELD. Not until the wee, small hours, because the wee, small hours mean 1, 2, 3, or 4 o'clock in the morning. I hope the Senate will handle this bill as it has handled other measures and will remain in session until a reasonable hour.

Mr. KUCHEL. Would my brother define the term "reasonable"?

Mr. MANSFIELD. I was just about to do so; but, as always, the acting minority leader has anticipated my thoughts.

I would hope that Senators would continue with the offering of amendments, as has been the case today. I note that on every amendment that has been offered there has been a yea-and-nay vote.

I understand the distinguished senior Senator from New Hampshire [Mr. COTTON] has an amendment either at the desk or about ready to present. I do not know how many other amendments will be offered. I know that the distinguished senior Senator from Iowa [Mr. HICKENLOOPER] has one amendment on which there will be 2 hours of debate—at least, that much time is allowable.

I have been telling Senators on this side of the aisle that the Senate prob-

ably would remain in session until between 8 and 9 o'clock this evening. The purpose is to get as many amendments out of the way as possible; but in reality the length of time the Senate will remain in session will depend not on what the acting minority leader or the majority leader says, but on what the Senate as a whole will consent to.

Mr. KUCHEL. Would the Senator from Montana consider the feasibility of suggesting that after the disposition of the amendment which our able brother from New Hampshire desires to offer, the Senate might recess until tomorrow morning?

Mr. MANSFIELD. What I am about to ask is unusual: May I ask if there are any other amendments to be offered besides those to be offered by the Senator from Iowa [Mr. HICKENLOOPER], in addition to that about to be offered by the Senator from New Hampshire?

Mr. HICKENLOOPER. I notice, in looking through the list, that there is an amendment proposed to be offered by the minority leader [Mr. DIRKSEN].

Mr. MANSFIELD. We will, of course, give that amendment every consideration.

Mr. HICKENLOOPER. I was checking through the list on my desk. I do not know whether there are other amendments besides these. But other amendments may be offered later.

Mr. MANSFIELD. I am not trying to pry; I am attempting to obtain a consensus, so that I may more intelligently answer the question asked by the acting minority leader.

Mr. WILLIAMS of Delaware. I may offer an amendment, but I am sure it will be noncontroversial. [Laughter.]

Mr. MANSFIELD. I really have seen enough of the Williams noncontroversial amendments to last me for a couple of years. [Laughter.]

Mr. KUCHEL. I wonder if the able majority leader might, out of the goodness of his heart and the compassion of which our minority leader always speaks when he refers to the majority leader, advise us that perhaps at the conclusion of the debate and the yea-and-nay vote on the constructive amendment about to be offered by the Senator from New Hampshire [Mr. COTTON] Senators may be permitted to retire from this joust.

Mr. MANSFIELD. First, does the Senator from New Hampshire expect to ask for the yeas and nays on his amendment?

Mr. COTTON. I shall ask for the yeas and nays.

Mr. MANSFIELD. Not yet; I am merely asking the question.

Mr. COTTON. Mr. President, merely as a modest parliamentary inquiry, is this discussion coming out of my time?

Mr. KUCHEL. I hope not, Mr. President.

The PRESIDING OFFICER. No amendment has been offered, so the time now being used will not be charged to the Senator from New Hampshire.

Mr. MANSFIELD. Mr. President, does the Senator from Delaware anticipate offering his amendment tonight?

Does the Senator from Iowa anticipate offering any of his amendments tonight?

Mr. HICKENLOOPER. I had not anticipated offering any of them tonight. They come in somewhat of a sequence, and I hope to offer them tomorrow.

Mr. MANSFIELD. Then, Mr. President, recognizing events as they are and knowing where the power lies, all I can say is that after the amendment of the Senator from New Hampshire is disposed of in one way or the other, it is planned to have the Senate take a recess until 10 a.m. tomorrow—which I state reluctantly, because I should like to see more amendments disposed of tonight.

Mr. PASTORE. Mr. President, I understand that many more amendments remain. So why not end today's session now, so that Senators may have an opportunity to return to their homes and have dinner with their families?

Mr. MANSFIELD. Mr. President, is there an amendment at the desk?

Mr. COTTON. Mr. President, I send my amendment to the desk, and ask that it be stated.

The PRESIDING OFFICER (Mr. BREWSTER in the chair). The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add a new section, as follows:

SEC. 5. The Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new section:

"SEC. 348. In order to maintain and expand domestic consumption of upland cotton produced in the United States and to prevent discrimination against the domestic users of such cotton, notwithstanding any other provision of law, the Commodity Credit Corporation, under such rules and regulations as the Secretary may prescribe, is authorized and directed for the period beginning with the date of enactment of this section and ending July 31, 1967, to make payments through the issuance of payment-in-kind certificates to persons other than producers in such amounts and subject to such terms and conditions as the Secretary determines will eliminate inequities due to differences in the cost of raw cotton between domestic and foreign users of such cotton, including such payments as may be necessary to make raw cotton in inventory on the date of enactment of this section available for consumption at prices consistent with the purposes of this section: *Provided*, That beginning August 1, 1964, payments shall be made to persons other than producers in an amount as will make upland cotton produced in the United States available for domestic use at a price which is not in excess of the price at which such cotton is made available for export."

Mr. COTTON. Mr. President, I shall explain the amendment very quickly and very fully.

On the question of agreeing to my amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, will the Senator from New Hampshire allow me to proceed for 1 minute, if that much time is yielded to me by the Senator from Louisiana?

Mr. COTTON. Certainly.

Mr. ELLENDER. I yield 1 minute to the Senator from Montana.

Mr. MANSFIELD. Mr. President, let me state, for the information of the Sen-

ate, that there is an agreement that after the recess is taken tonight, the Senate will convene at 10 a.m. tomorrow. I hope all Senators will be prepared to put in a rather long session tomorrow—however, not into the wee hours of the night.

Mr. COTTON. Mr. President, the colloquy which has just occurred places me under a rather heavy burden, because it has been announced that this amendment will be the last one to be acted on today, and that as soon as this amendment is disposed of, Senators will be able to go to their homes for dinner. Consequently, I can observe rather hostile looks coming from other Senators, because they realize that however long they are detained by the discussion of my amendment will be solely my fault—whereas during the past several days I have already caused quite enough trouble, and it is not my desire to cause more.

Mr. MANSFIELD. Mr. President, will the Senator from New Hampshire yield?

Mr. COTTON. Certainly.

Mr. MANSFIELD. Speaking personally, let me say that I hope the Senator from New Hampshire will take the full half hour available to him on his amendment. I always enjoy hearing him speak, and I know his amendment is a good one. I could not wish that it would be adopted, but certainly I shall support him fully in his effort to speak in favor of its adoption.

Mr. COTTON. I thank the Senator from Montana.

Mr. President, I believe it was Franklin D. Roosevelt who said, in connection with World War II, that the last shot was fired—not the first one—is the most important. At any rate, this amendment will be "the last shot to be fired" today.

This amendment merely provides that the subsidy or payments which permit the sale of U.S. raw cotton abroad for a certain price shall be extended in such a way that the mills in this country—without loss to the producers of cotton—may buy their raw material at no greater price than that paid by their competitors in other countries. The amendment is that simple. It would not take away a single thing from the support for the cotton producers of the United States; and it would not change the situation in regard to making a world price. It simply provides that the price—whatever it may be—at which the raw cotton is sold in England, in Hong Kong, or in any other country, to mills and finishers, shall be the price—no more or no less—at which the cotton shall be available to the American cotton mills and the American cotton manufacturers.

Mr. HOLLAND. Mr. President, will the Senator from New Hampshire yield?

Mr. COTTON. Certainly.

Mr. HOLLAND. Of course, the Senator from New Hampshire means, does he not, sales from the Commodity Credit Corporation stocks, to foreign mills, and, for a like price, to the domestic mills?

Mr. COTTON. Certainly—from the Commodity Credit Corporation stocks; and that there shall be no differential in price.

Mr. President, lipservice has been given for a long time to this proposal. However, if one runs the entire gamut of our

rather intricate and complex governmental machinery I doubt that one can find anything much more inconsistent, grotesque, or shocking than the situation in which the American taxpayers subsidize the Commodity Credit Corporation to purchase cotton, and then, under the law, the Commodity Credit Corporation is instructed to sell the cotton at a world price to our competitors, but to force American manufacturers to pay a higher price. That is one of the very shocking things which, in my opinion, has done more to undermine and destroy public confidence in many of the good features of our farm programs—which have good features—than almost anything else.

Several years ago it was my privilege to submit in this body a resolution which called for the creation of a special committee to study and report on the textile situation in the United States. That resolution was adopted, and thus there was created the special committee which was composed of my distinguished friend the able senior Senator from Rhode Island [Mr. PASTORE], the able junior Senator from South Carolina [Mr. THURMOND], and myself. The subcommittee held hearings in New England, New York, North Carolina, and Georgia. It heard the testimony of textile manufacturers and the testimony of the unions, and in many cases it heard the testimony of the producers of the raw material. The committee made its report. One of the first recommendations included in the report—and the report was unanimous—was that this inequity, which places U.S. manufacturers and U.S. employers—and, Mr. President, personally I am a little tired hearing the constant references to industries and manufacturers; I think the time has come when we should begin to refer to them as job-makers, because they are the ones who produce the jobs in this country—under this penalty, in addition to the disadvantage resulting from the imports which come into this country from Japan, England, and other foreign countries.

Mr. EASTLAND. Mr. President, will the Senator from New Hampshire yield?

Mr. COTTON. Certainly.

Mr. EASTLAND. Let us assume that the British spinners and the Japanese spinners did not buy their raw cotton in the United States: In that event, where would they buy it?

Mr. COTTON. In Egypt, or in some other country.

Mr. EASTLAND. Or in Japan?

Mr. COTTON. Yes. Of course, we want them to buy it in the United States.

Mr. EASTLAND. That is correct. But if the U.S. cotton farmer did not fill that market at 22 cents a pound, which is the prevailing world price, the cotton would be purchased in other countries.

Mr. COTTON. I agree entirely; and I am not suggesting that they should not; and I do not want anything done—

Mr. EASTLAND. Mr. President, will the Senator from New Hampshire yield for a further question?

Mr. COTTON. I yield.

Mr. EASTLAND. The Senator from New Hampshire has spoken of the subsidy. I would vote for a one-price cotton system. But I should like to ask the Senator from New Hampshire this question: Is the American manufacturer willing to sell at the world prices? If he is not, why does he object to buying at world prices?

Mr. COTTON. The American manufacturer does not object to buying at world prices, but I believe he objects to buying at more than world prices.

Mr. EASTLAND. Then why does the American manufacturer ask for quotas and tariffs to protect him?

Mr. COTTON. I rather regret that my good friend, of whom I am so fond, is taking that position. There is no provision in the amendment which I have offered—nor would I offer such an amendment—that would take the cotton product of our country out of the world market and cause people to buy cotton somewhere else. I am merely providing in the amendment—

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. COTTON. Will the Senator let me finish my thought?

Mr. EASTLAND. I was about to tell the Senator that I would vote for his amendment.

Mr. COTTON. I will yield for that purpose at any time.

Mr. EASTLAND. There are two sides to the question.

Mr. COTTON. Nothing that I have provided in my amendment is intended to destroy the market of raw cotton; nor would it, in my opinion, have that effect.

Mr. President, we all know the story of cotton. Since 1947 more than 900 cotton mills in our country have closed, and more than 440,000 employees have been put out of their jobs.

Indeed, it has been an increasing rate because in the years 1960 and 1961 combined, 88 mills closed and 19,500 employees were made jobless.

One thing we do not wish to export is American jobs.

The textile industry faces other problems. The amendment would not cure all of them. We still will have the problem of dealing with a reasonable—and I emphasize the word "reasonable"—control of imports. The same is true of the shoe industry.

Mr. RANDOLPH. Mr. President, will the effective Senator yield?

Mr. COTTON. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 10 minutes remaining.

Mr. COTTON. I am happy to yield to my friend from West Virginia.

Mr. RANDOLPH. My colleague has made a good argument. I only wish that he, as a New Englander, would set forth the same forceful reasons to help those of us in West Virginia and in the other bituminous coal producing States who seek to decrease the flow of foreign residual oil. As we know, it is a waste product which is dumped into the United States at prices which compete unfairly with our domestic fuels. The State which the Senator so vigorously represents uses this foreign residual product

extensively. I wish he might help us with reference to that problem.

Mr. COTTON. Many of us in New England have been very keenly interested in a type of coal pipeline that has been proposed. Can the Senator remind me what it is called?

Mr. RANDOLPH. A slurry pipeline. But the Senator should know that the only coal slurry pipeline in the country which has been in operation, in the State of Ohio, is being superseded again by the railroads which have reduced coal haulage rates to a competitive position. This has come about through the "unit train" concept which speeds trainload deliveries of coal and accelerates turnaround time of empty hopper cars. Consequently, coal moves into large user markets much cheaper on a delivery basis.

We must recognize these changes and accord them proper consideration, just as we should do everything necessary and proper to protect and preserve the jobs of American workers when they are threatened by imports of waste and other products enjoying unfair competitive advantages.

Mr. COTTON. If there is any way that we in New England can assist the miners of West Virginia in promoting the use of their product, we want to do so. Transportation has been one of our handicaps. But I want to say I have always admired the Senator from West Virginia [Mr. RANDOLPH] for his diligence in fighting for the major industry in his State—the coal mines and their employees.

I should like to return to the subject at hand. Other problems face the textile industry and the cotton mills. There is the matter of importations. Without fear of intelligent contradiction, I point out one great glaring inconsistency that everyone, including even my good friends who have been questioning me, deplore. The President has deplored it. One of the first recommendations the President made after he came into office was that the handicap of charging the American manufacturer more for his raw material than the price for which it was sold to his competitors should be corrected. President Eisenhower made the same recommendation. If I am not mistaken, a bill which was introduced each time by the distinguished Senator from Maine [Mrs. SMITH], with certain other cosponsors, actually passed this body twice. The bill would do away with the differential.

So I cannot think of a more appropriate time than the present, when we are covering the whole subject of agriculture and dealing with the future policy of agriculture, with commodities of the Commodity Credit Corporation, with feed grains, and at a time when we have attempted on the floor of the Senate to deal with livestock and with meat products, to eliminate this inequity.

I make this statement seriously. The amendment is not offered in any sense as a dilatory amendment to consume time. It is offered in complete seriousness of purpose for the sake of the men and women who work, who are skilled, who

are trained, and who day by day, week by week, and month by month are finding themselves deprived of their work. I offer the amendment for the sake of an industry that is struggling—an industry that is second only to the steel industry in its importance in our war effort. I offer the amendment for the sake of the future of our textiles and the future of our country. Let us get rid of a symbol that has been a glaring, shocking sight of inconsistency for many years. So with those purposes in mind, I offer my simple amendment to be added at the end of the bill.

Mr. President, the amendment would not remove 1 cent from the subsidy that enables the Commodity Credit Corporation to buy surplus cotton. It would not raise by one nickel the cost to any foreign manufacturer or foreign nation. It would merely place the American manufacturer on exactly the same level with his foreign competitors, and with the same privileges. I cannot conceive of any Senator voting to deprive our American manufacturers of an equal, fair chance.

Mr. President, I reserve the remainder of my time.

Mr. ELLENDER. Mr. President, the same suggestion that is now being made by the distinguished Senator from New Hampshire was considered by the House of Representatives in the early part of this year. The Committee on Agriculture of that body turned the proposal down. I understand that another bill has been introduced by the chairman of the Committee on Agriculture of the House of Representatives. The subject is being given consideration.

On Monday I introduced a bill similar to the one introduced by Representative COOLEY from North Carolina. So that not only will the Committee on Agriculture of the House consider that cotton legislation, but the Senate Committee on Agriculture and Forestry will do likewise. The committee has authorized hearings on proposed cotton legislation beginning May 20. The distinguished Senator from South Carolina [Mr. JOHNSTON] will conduct the hearings. We hope to report a bill.

Mr. President, it is not my purpose to go into the details of the amendment now pending. One thing which concerns me is the cost of the proposal. As I understand it, what the distinguished Senator from New Hampshire seeks to do is to pay a subsidy on all cotton which is consumed domestically to the same extent as that paid for cotton which is exported. That would mean a subsidy of \$42.50 a bale at present support prices.

We usually consume about 8 million bales, or slightly more than 8 million bales of cotton per year domestically. It is easy to see that if a subsidy of 8½ cents a pound, or \$42.50 a bale, were paid on 8 million bales of cotton, that would increase the cost of the cotton program 8 million times \$42.50, or \$340 million.

It seems to me that before the Senate takes action on this proposal there should be hearings. In that way we would be able to obtain the facts as to the impact the proposed legislation would

have on the mills, on the taxpayers, and all others concerned.

I come from a cotton-producing State. As chairman of the Committee on Agriculture, for the past 5 or 6 years I have advocated a reduction in the cost of the program as to milk and dairy products; that we should cut it down from about \$500 million or \$600 million a year to perhaps as low as \$200 million. I took the same position with respect to wheat; that the cost of the program was too great, and that it was costing the taxpayers too much money. I took the same position with respect to corn and other grains, that is to try to reduce the costs of that program to the taxpayers.

I am not willing tonight to propose to Senators that we deal with the cotton problem without knowing all of the facts, or to suggest that instead of decreasing the cost of that program we should increase it. As I have stated, it is easy to understand that if we should embark on the payment of a subsidy on cotton which is consumed domestically to the extent of the subsidy now being paid on cotton shipped abroad, the additional cost which would be put on the taxpayers by that vote alone would amount to about \$340 million.

Although I am from a cotton-producing State, I believe sincerely that the committee of which I am the chairman should be given an opportunity to look into this question and to study it. That will be done, I assure Senators, beginning on May 20th. We will hold hearings. We will hear everybody concerned. We will get the facts, and then present a bill to the Senate for debate.

The pending legislation involves feed grains, not cotton. Let us stick to the feed grains. I hope the amendment will be rejected.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. PASTORE. Many Senators believe that there is a great deal of substance to the amendment. I am one of those who feel that it is untimely. Possibly it does not belong in the pending bill.

As the Senator has already indicated this proposal should be subjected to hearings. There should be an exhaustive study.

But we are confronted with a problem. We sell cotton to foreign manufacturers for 8 cents a pound less than domestic manufacturers are compelled to pay for the same cotton. Then that cotton is manufactured into cloth, and the cloth comes back to this country.

Although we must already contend with a differential as to wage costs, now the problem is aggravated by the disparity with respect to the basic cost of the cotton itself.

This puts the Senator from Rhode Island in a very awkward position tonight, because for a long time he has advocated that we do away with the two-price cotton system if we are to protect our domestic textile industry.

Therefore, I make a suggestion to the Senator. Does he propose to move to table the amendment?

Mr. ELLENDER. No.

Mr. PASTORE. That would make it easier for those of us who do not wish to decide on the substance of the amendment. Either the amendment should be tabled or it should be withdrawn at this time. Many of us have a strong feeling that there is much substance to the amendment. But we recognize the fact that it is untimely presented.

I appeal to my good friend from New Hampshire, who knows how hard we fought—and we fought shoulder to shoulder—on the textile problem. Many of us feel that the two-price system for cotton is unfair to the American textile manufacturers.

I regret that this issue has been brought up at this time. I hope the Senator from New Hampshire will not show the weakness of our hand at this time by being persistent. I admire perseverance; but, on the other hand, let us not prove how weak we are now. Let us prove how strong we are later.

Mr. ELLENDER. I had hoped that the fact that the Committee on Agriculture and Forestry had already agreed to hold hearings, beginning on May 20, would satisfy those who have spoken. I give assurance that the hearings will be held until they are concluded.

I am hopeful that the Committee on Agriculture of the House of Representatives will do what we propose to do and that we can come before the two Houses of the Congress almost in unity to present a bill that will be acceptable.

I am in almost the same position as that expressed by my good friend from Rhode Island. I have stacks of letters in my office asking that I vote for the cotton bill. But I say that I do not believe we should take quick action to vote for a proposal like this without knowing all the implications involved and the cost to the taxpayers.

I understand that the White House favors some remedial legislation as to cotton mills. With the assistance of our good friends across the aisle, I do not think we shall have a bit of trouble in enacting a bill which will accomplish the purposes sought by this amendment.

Mr. COTTON. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. COTTON. The Senator from Louisiana, whose knowledge in these matters we all heed and respect, has made the statement that the cost of putting American businessmen on an equal footing with foreign competitors might be \$360 million. Will the Senator tell us, out of his store of knowledge, how much the American taxpayer is paying for the subsidy that now gives the foreign competitor an advantage over the American businessman?

Mr. ELLENDER. It would depend on how much is exported. If it were 4 million bales, it would be 5 million times \$42.50. The figure is \$212 million.

I concede that something should be done, but let us not go off half cocked in doing it.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. I am in sympathy with the objective of the Senator from New Hampshire and the Senator from Rhode Island. Something must be done to help the textile industry, but this is an involved subject on which hearings should be held. I would like to have more information than it would be possible to obtain on an amendment offered on the floor of the Senate tonight. I think the problem should be dealt with. I hope the relief that is being sought will be given to the textile industry.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield 5 minutes to the Senator from South Carolina.

Mr. JOHNSTON. Since I am the chairman of the committee which will hold hearings on this subject, I think every Senator from a State with a textile industry should know how I feel about it. It may be of some use for Senators to know that South Carolina has 28 percent of the active cotton spindles in the United States. So Senators can readily see I am very much interested in a proposal along this line. But I must say, in all frankness, that all the problems we face cannot be solved by merely adopting this amendment. There are other factors involved. I think the problem of cloth made from cotton which is imported into this country probably should be injected into the consideration of the problem and should probably carry a part of the cost of operating a program such as this.

I am interested in the cotton farmers. South Carolina is a cotton-farming State. I fear that if we adopt an amendment such as the one pending tonight, the cotton farmers might be hurt by the proposal we are now considering. That is the reason why I think all these complicated questions require hearings.

The Senator from Louisiana will recall that as soon as he introduced a bill on this subject, hearings were set as soon as possible, in order to look into the subject thoroughly and do what we thought was the right thing under the circumstances.

We do not have to tell Senators that a manufacturer in Japan has many advantages over a manufacturer in South Carolina. We all know he has many. But some of the problems involved cannot be solved here tonight. The problem caused by the difference in the price of machinery cannot be solved here tonight. In South Carolina cotton mills are being built and Japanese machinery is being installed there. They have even gone so far as to bring Japanese into my State to install the Japanese machinery.

So it can be seen that the question before the Senate tonight is quite a complicated one. We must have hearings in order to know what to do under the circumstances. That is what I am advocating at this particular time.

Mr. COTTON. Mr. President, have I some time left?

The PRESIDING OFFICER. The Senator from New Hampshire has 13 minutes.

Mr. COTTON. I shall not take that much time. I do not want to detain the Senate.

I have listened carefully and respectfully to the suggestions of the distinguished chairman of the Committee on Agriculture and Forestry, whom I so greatly respect. I have listened to the suggestions of my friend from Rhode Island, who has been a two-fisted fighter for the textile industry—and the world should know it—as long as I have known him in this body. It sounds very well to say to a Senator "Wait a minute. Your suggestion has some merit, but wait. We will take it up in the proper order. We are going to consider it. The committees are going to consider it. You will have another chance. This is not the time to do it."

I have been in Congress for 17 years, in the House and in the Senate. I would like to offer a bit of advice to some of my young friends on both sides. There are some grand young Senators, of whom we are very proud, and I would not ordinarily venture to give them any advice, but I am going to give them one word of advice tonight. In a few years they will say, "'Old Man Cotton' told us correctly." Senators should never get into a position of voting against something they believe in today because someone says there will be an opportunity to rectify the situation this year or next year or the year after.

The American people notice when someone stands up to be counted.

I do not question for one fleeting instant the intentions of the able members of these committees. I know they are going to consider the problem. They have been considering it. This subject has been before Congress almost as long as I have been a Member. Every time we have an opportunity to strike a blow to alleviate the problem, someone says, "Wait a minute. It should not be in this bill. This is not the time. We are not approaching it in the regular and proper parliamentary fashion. Do not hurry. Do not worry. Keep calm. We are going to consider this subject in the proper way and give it adequate consideration; and we will bring the legislative proposal back in proper form."

I hold no pride of authorship in this particular amendment. It may be faulty in its construction. I would not stand up and say that perfect draftsmanship went into it. I did not do it; the legislative service did it for me. But I wonder, if the amendment is adopted—and this is where the shoe pinches, I am afraid—who will be on the committee of conference if the bill goes to conference. Men like the distinguished Senator from Louisiana, men who know this subject from A to iZZard. If there is anything wrong in the construction of this amendment, if it is not designed to attain its proper objectives, if it is not fair, if it is not properly drawn, we can trust those men to iron out the wrinkles. All I am asking tonight is that the Senate face this proposal squarely.

We have been talking about it for years. It is no new thought. We do not need to wait another year or another 2 years. The time has come when, if we are to endure, the men who make the jobs and the men who work at the jobs

in American industry must be given somewhere near as fair a shake in this world as we can give them. And if anybody is going to give it to them, it is the Members of this body, who have held up their hands and sworn to legislate for the benefit, safety, and prosperity of this country, the future of which is entrusted to their hands.

Let us not sidestep the issue. It is easy to lay it on the table. It is easy to avoid meeting the issue. Let us not say, "Let us wait. Let the committees consider it." There is one thing of which I wish to remind Senators. I say this without any attempt to put pressure on anyone, but because I have been sitting here for all these years and fighting in this cause. Do not deny us a chance to do one thing. We believe that the American producer and the American industrialist and the American employer should have an even break with their competitors in so far as we can give it to them anywhere in the world.

If we adopt the amendment and it is thrown out, if it is found to be improperly drawn, very well. The blood will not be on our hands. We shall have met the issue, and we shall have spoken on it.

Mr. PASTORE. Mr. President, will the Senator yield to me?

Mr. COTTON. I yield.

Mr. PASTORE. I do not mean to be impertinent on this point, but I believe the question I am about to ask the Senator is quite proper. If the amendment is adopted, will the Senator from New Hampshire vote for the bill?

Mr. COTTON. Oh, no.

Mr. PASTORE. That is the point.

Mr. COTTON. I am perfectly frank when I say that.

Mr. PASTORE. That is the point, Mr. President.

Mr. COTTON. That is not the point at all. I am not dodging the Senator's question. It is a good question. I will not vote for what I believe to be a bad bill, merely because I believe there are one or two good things in it.

Mr. PASTORE. Even if it means voting for the two-price cotton system?

Mr. COTTON. If the distinguished Senator from Rhode Island wants to be factual, let us talk facts. The bill is going to pass. There is not a member of this body who has the slightest doubt about it. We do not have enough votes to oppose the bill. We do not have a chance to stop it. It does not make a bit of difference whether the Senator from New Hampshire votes for it or against it. It will pass. Here is our chance for the Senate to go on record and to say to the business people and to the workers of America, "We are going to try to give you a fair break."

Mr. PASTORE. Mr. President, will the Senator from Louisiana yield some time to me?

Mr. ELLENDER. I yield 5 minutes to the Senator from Rhode Island.

Mr. PASTORE. I believe that this is the precise question before the Senate tonight. There is no Member of the Senate who has advocated doing away with the two-price cotton system more

than the Senator from Rhode Island has done. No Member of the Senate can say that he has worked harder and fought harder for the textile industry than has the senior Senator from Rhode Island.

The Senator from Rhode Island has in mind voting against the bill when it comes up for passage. However, the senior Senator from Rhode Island is saying tonight that it is only a gesture. If we are here for a headline, that is one thing. If we are here to do something for the textile industry, that is another thing.

The Senator from New Hampshire knows that his amendment will not carry. The Senator from New Hampshire should know that, because of the untimeliness of the amendment, it will only prove the weakness of his case. I am not here to prove the weakness of my case, because I have a strong case.

The Senator from Louisiana [Mr. ELLENDER] has said that this subject will be considered exhaustively by his committee. In due time the proposed legislation will come before the Senate for a decision either for or against it.

When he has announced time and time again, as the Senator from New Hampshire has said, that he will do everything in his power to kill the bill, and he then advocates an amendment, when he knows he cannot vote for the bill even with the amendment in it, I ask, whom are we kidding?

Are we for the people? Are we for the textile industry? Are we only putting on an act to catch a headline in tomorrow morning's newspaper? For that reason, if the majority leader does not move to table the amendment, I shall do so. I believe in the spirit it represents, and I believe in the substance it represents, but I cannot believe in the motivation that brings it to our attention tonight.

Mr. MANSFIELD. Mr. President, I move to table—

Mr. COTTON. Mr. President, has all time been exhausted? I cannot believe that the majority leader intends to move to table the amendment, when there is a unanimous-consent agreement to speak on the amendment for 1 hour, 30 minutes on each side.

The PRESIDING OFFICER. The Chair informs the Senate that the Senator from Louisiana has 10 minutes remaining, and the Senator from New Hampshire has 5 minutes remaining.

Mr. COTTON. Mr. President, not for anything in the world would I say anything that would reflect personally upon a Member of the Senate whom I respect and admire as much as anyone with whom I have served. I have worked in committees with the senior Senator from Rhode Island through all these years. Everything he has said is true. I have worked with him for the textile industry. However, what I resent is the remark about getting a headline.

I shall say something now, Mr. President. Before the so-called trade expansion bill was passed by the Senate, we were informed—and I am going to say something more about this subject to-

morrow in debate, or whenever we get to the general debate on the bill—that the President of the United States intended to make an exception for the tottering, fighting textile industry. Many votes were cast for the bill because of that assurance.

After it passed, and nothing happened, people representing the textile mills both wool and cotton, came into my office—I am sorry to say this, Mr. President—but I am not going to be told that I am after headlines, when I am sincere and fighting for a cause in which I believe—and said, "Wait a minute. Do not do anything about this. Do not say anything on the floor. Keep your mouth shut, because we have got to get help from the President, and we do not want any partisanship in it. We do not want a Republican to open his mouth. The Senator from Rhode Island and others will go to the White House and use their best offices."

I am sure they did that. I was asked to keep my mouth shut, and not to rock the boat. We kept quiet. I kept quiet. I have not said a word about this on the floor of the Senate for these long months.

The other day they came into my office and said, "Listen, go ahead and tear this thing open. You cannot do us any harm now, because we are going to get no help."

I did not intend to say this, and I would not have said it if I had not been goaded into it. However, I am stating the facts.

When I stand on the floor and offer an amendment in good faith, which does nothing but give to the American worker and American industry an even break, I do not intend to stand here tamely and be told that I am a hypocrite who is looking for a headline.

This is no weakness in this amendment. There is no weakness in this cause. It is plain, downright justice.

Mr. President, the Senate can lay the amendment on the table, so the RECORD will not show who voted against it and who voted for it. That is all right. However, although it can be laid on the table, it cannot be swept under the rug.

Mr. PASTORE. Mr. President, will the Senator yield me 3 minutes?

Mr. ELLENDER. I yield 3 minutes to the Senator from Rhode Island.

Mr. PASTORE. First of all, a great deal has been accomplished by the administration for the textile industry. Not only did we engage ourselves in agreements with 19 countries who were exporting cotton goods to the United States for a 1-year term, and then extended then for a 5-year period, but we set voluntary quotas for these countries under the proclamation of the President of May 1961.

We realize that up to this time not much has happened with relation to woollens and worsteds, but the President of the United States is trying to solve that problem. We had the problem of the Common Market in Europe. We had the problem of the rejection of Great Britain for membership in the Common Market by Common Market countries of

Europe. The President has had serious problems to meet. He knows that something should be done. He is still working on this problem. I can report to the Senate, especially to the Senators who are interested in the woolen problem, that we are very hopeful that something will take place and that something will be done. However, what is suggested here is not the way to do it.

What we are trying to do tonight is not to rock the boat. What the Senator from Rhode Island asked the Senator from New Hampshire was: If he believed so much in this cause that he is defending tonight, and if he won the whole point, would he vote finally for the passage of the bill? The Senator from New Hampshire said that he would not. So what is the cause he is fighting for? Are we not swinging an empty bag? If we want results, let us go out and get results.

All I am saying is that I agree with the substance of the amendment; I agree with the spirit of the amendment. But we know very well that the amendment will not carry tonight. It just will not "wash" tonight. So we will have accomplished nothing. If we want results, this is not the way to get them.

That is why I say it is untimely to bring up this amendment. It will prove nothing, it will do nothing, and it will hurt the cause of the textile industry.

Mr. MANSFIELD. Mr. President, will the Senator from Louisiana yield 1 minute to me?

Mr. ELLENDER. I yield.

Mr. COTTON. Mr. President, of all the amendments that have been acted upon today, will this be the only one to be dealt with by a motion to table?

Mr. MANSFIELD. This is the only one.

Mr. COTTON. I regret that.

Mr. MANSFIELD. Mr. President, we have the assurance of the chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER] that hearings will be started on cotton on May 20. A subcommittee under the chairmanship of the distinguished senior Senator from South Carolina [Mr. JOHNSTON] is prepared to undertake a thorough and complete study.

We have been told that there is no place for an amendment of this sort on the feed grain bill which is now before the Senate.

We have been further assured that Representative COOLEY, of North Carolina, chairman of the House Committee on Agriculture, has indicated that at about the same time the Senate committee starts its hearing, his committee also will start hearings. So I think we have just about as much in the way of assurances that we can have on the floor of the Senate.

Therefore, I must say to my friend, the distinguished senior Senator from New Hampshire [Mr. COTTON], with deep regret, that I now move to table his amendment.

The PRESIDING OFFICER. Do the Senators yield back the remainder of their time?

Mr. ELLENDER. I yield back the remainder of my time.

Mr. COTTON. I yield back the remainder of my time.

Mr. PASTORE. Mr. President, on the motion to table, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana [Mr. MANSFIELD] to lay on the table the amendment offered by the Senator from New Hampshire [Mr. COTTON]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILLIAMS of Delaware (when his name was called). On this vote I have a pair with the senior Senator from Massachusetts [Mr. SALTONSTALL]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Illinois [Mr. DOUGLAS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Oregon [Mr. MORSE], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], the Senator from New Jersey [Mr. WILLIAMS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that, if present and voting, the Senator from Tennessee [Mr. KEFAUVER], the Senator from Maine [Mr. MUSKIE], the Senator from New Jersey [Mr. WILLIAMS] and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

On this vote, the Senator from Illinois [Mr. DOUGLAS] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Illinois would vote "yea" and the Senator from Colorado would vote "nay."

On this vote, the Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from Massachusetts would vote "yea" and the Senator from Arizona would vote "nay."

On this vote, the Senator from Minnesota [Mr. MCCARTHY] is paired with the Senator from Colorado [Mr. DOMINICK]. If present and voting, the Senator from Minnesota would vote "yea" and the Senator from Colorado would vote "nay."

On this vote, the Senator from Oregon [Mr. MORSE] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Oregon would vote "yea" and the Senator from Texas would vote "nay."

On this vote, the Senator from Utah [Mr. MOSS] is paired with the Senator from Kentucky [Mr. MORTON]. If present and voting, the Senator from Utah would vote "yea" and the Senator from Kentucky would vote "nay."

Mr. KUCHEL. I announce that the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], the Senator from New Jersey [Mr. CASE], the Senator from Kentucky [Mr. MORTON] and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] and the Senator from Massachusetts [Mr. SALTONSTALL] are detained on official business.

The pair of the Senator from Massachusetts [Mr. SALTONSTALL] has been previously announced.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Illinois [Mr. DOUGLAS]. If present and voting, the Senator from Colorado would vote "nay" and the Senator from Illinois would vote "yea."

On this vote, the Senator from Colorado [Mr. DOMINICK] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from Colorado would vote "nay" and the Senator from Minnesota would vote "yea."

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from Arizona would vote "nay" and the Senator from Massachusetts would vote "yea."

On this vote, the Senator from Kentucky [Mr. MORTON] is paired with the Senator from Utah [Mr. MOSS]. If present and voting, the Senator from Kentucky would vote "nay" and the Senator from Utah would vote "yea."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Oregon [Mr. MORSE]. If present and voting, the Senator from Texas would vote "nay" and the Senator from Oregon would vote "yea."

The result was announced—yeas 44, nays 36, as follows:

[No. 80 Leg.]

YEAS—44

| | | |
|-----------|-----------|----------------|
| Anderson | Gruening | McGovern |
| Bartlett | Hart | McIntyre |
| Bayh | Hartke | McNamara |
| Bible | Hayden | Metcalf |
| Brewster | Humphrey | Monroney |
| Burdick | Inouye | Nelson |
| Cannon | Jackson | Neuberger |
| Church | Javits | Pastore |
| Clark | Johnston | Pell |
| Cooper | Long, Mo. | Proxmire |
| Dodd | Long, La. | Ribicoff |
| Edmondson | Magnuson | Robertson |
| Ellender | Mansfield | Symington |
| Engle | McClellan | Young, N. Dak. |
| Fulbright | McGee | |

NAYS—36

| | | |
|--------------|---------------|-------------|
| Aiken | Gore | Mundt |
| Beall | Hickenlooper | Pearson |
| Bennett | Hill | Prout |
| Boggs | Holland | Randolph |
| Byrd, W. Va. | Hruska | Scott |
| Carlson | Jordan, N.C. | Simpson |
| Cotton | Jordan, Idaho | Smith |
| Curtis | Keating | Sparkman |
| Dirksen | Kuchel | Stennis |
| Eastland | Lausche | Talmadge |
| Ervin | Mechem | Thurmond |
| Fong | Miller | Young, Ohio |

NOT VOTING—20

| | | |
|-----------|----------|----------------|
| Allott | Kennedy | Saltonstall |
| Byrd, Va. | McCarthy | Smathers |
| Case | Morse | Tower |
| Dominick | Morton | Williams, N.J. |
| Douglas | Moss | Williams, Del. |
| Goldwater | Muskie | Yarborough |
| Kefauver | Russell | |

So Mr. MANSFIELD's motion to lay Mr. COTTON's amendment on the table was agreed to.

Mr. ELLENDER. Mr. President, I move that the vote by which the amendment was laid on the table be reconsidered.

Mr. HUMPHREY. Mr. President, I move that the motion to reconsider be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider. The motion to lay on the table was agreed to.

Mr. DIRKSEN. Mr. President, I propose to submit an amendment; but I wish to state that it is my understanding that an order will be obtained—if it has not already been obtained—to have the Senate convene at 10 a.m. tomorrow.

Mr. MANSFIELD. Yes, I believe I have already made that request and have been granted that consent; namely, to have the Senate take a recess from tonight until 10 a.m. tomorrow morning.

The PRESIDING OFFICER. Such an order has already been entered.

Mr. DIRKSEN. I understand that after I lay down the amendment, it will be the last business for today in connection with the pending bill.

Mr. MANSFIELD. Yes.

Mr. DIRKSEN. Mr. President, I submit the amendment which I send to the desk; but I ask unanimous consent that the reading of the amendment be withheld until the Senate convenes tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. MANSFIELD. I ask unanimous consent that the time taken in today's session from now until the recess is taken, later this evening, be considered apart from the limitation agreed to on yesterday in regard to amendments to the pending bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

"DOCTRINE OF INTERNATIONAL ONEDOWNMANSHIP" — ADDRESS BY SENATOR BENNETT

Mr. HRUSKA. Mr. President, as one possessed of a high degree of clarity, commonsense, and long-range vision, the senior Senator from Utah [Mr. BENNETT] is second to none in this body. Whenever he prepares remarks or a speech or whenever he announces his position on any subject, he does so as the result of careful analysis and preparation.

Earlier this week he spoke to a group in Joplin, Mo., on the subject of "an apparent inability to hold our own with Khrushchev and the Communists, marked by our aimless drifting into ever weaker positions"; and he referred to Cuba as "the current and compelling symbol of our growing fears" in this area.

I ask unanimous consent that there be printed at this point in the RECORD the text of the speech delivered by Senator BENNETT on May 13 to the Joplin Chamber of Commerce. The speech is entitled "Doctrine of International Onedownmanship."

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

DOCTRINE OF INTERNATIONAL ONEDOWNMANSHIP

(Speech by Senator WALLACE F. BENNETT, Republican, of Utah, Joplin, Mo., Chamber of Commerce, Monday, May 13, 1963)

Today there are two great, overriding problems which worry the American people. One is more directly related to the personal problems faced by members of the chamber of commerce. It involves the administration's evident determination to impose more and more controls over business by means of programs that ignore tried economic principles and astronomical costs. The current symbols of these policies are the tax proposals and the mounting deficits.

The other problem is beginning to disturb—even to frighten—all of us, and it grows out of an apparent inability to hold our own with Khrushchev and the Communists, marked by our aimless drifting into ever weaker positions. The current and compelling symbol of our growing fears is Castro, Cuba.

As a Senator with a business background, you may be expecting me to talk about the first subject—fiscal irresponsibility. But I think the second is the most immediate danger—for chamber of commerce members as well as their customers. So, with your indulgence, I shall talk about the Cuban problem.

Every day in every way we are told that Cuba is not really a problem—that it is unseemly for the powerful United States to show such terror over a tinhorn dictator on an economically collapsing island. We are told that this makes us look foolish in the eyes of the world. This point of view is being given increasing currency by the news managers of the State Department and the Pentagon, by the curious lot of amateur geopoliticians at the White House, and by the publicists and pundits of the present administration.

That their arguments are bad history, bad logic, and worse military policy has not penetrated the minds of those who make them. That the American people do not accept this twisted view of the Cuban problem has failed to reach the New Frontier mentality.

Cuba is small, but so was the thorn in the lion's paw which Androcles removed with impunity. More important, these counsels of tolerance are beside the point.

In the present struggle between communism and freedom, between the organized death of totalitarian slavery and the unlimited horizons of an open society, Cuba is far more than a piece of real estate 90 miles off the coast of Florida or the base of Red subversion in the Americas. Cuba is at once the symbol of the great cold war confrontation and an index of what the future may hold for America. And it is in these terms that it must be considered.

It is commonplace today to condemn President Kennedy for the failure of his Cuban policy. The public debate rages over mistakes he has made and weaknesses he has shown in his dealing with Nikita Khrushchev and the Kremlin. One major point, however, emerges above the errors of omission and commission. Without so much as consulting his peers in Congress or the American people who elected him, Mr. Kennedy has quietly scrapped both traditional American

foreign policy based on the Monroe Doctrine and the more recently constructed inter-American security system. He has substituted for them a Kennedy doctrine based on premises hitherto considered both alien and false.

Everything he has done since taking office follows inevitably from this new doctrine. What we consider mistakes, bad judgment, or faulty reasoning are, in fact, entirely consistent with the Kennedy doctrine of international onedownmanship. For the President not to have canceled the air cover in the critical hours of the Bay of Pigs invasion would have contradicted the Kennedy doctrine. To have publicly recognized the Soviet arms buildup at a time when our intelligence agencies were reporting it to the National Security Council would again have been inconsistent with the doctrine. To have pressed the advantage he gained by imposing his selective quarantine would have run directly counter to the thinking of the administration.

What has confused the pundits and brought embarrassment to the New Frontier has been the lack of consonance between the Kennedy doctrine and the utterances of administration spokesmen, from the President down. Until fairly recently, the words of the Kennedy administration came from the book of established and recognized American policy. No one could quarrel with those words, for they were based on the Monroe Doctrine, the Rio Treaty which set up a mechanism for action of the Organization of American States, and the practical traditions which impelled this country to spur the overthrow of a Communist-controlled regime in Guatemala. What the Kennedy administration has done, however, is something else again.

In short, there has been an "honesty gap" in our foreign policy since 1961—almost as if Mr. Kennedy and his advisers felt that the American people could not be trusted with the truth or told in plain language what the administration was seeking to achieve—and how and why. It is obvious that this lack of frankness was motivated by a well-founded suspicion that any confession of new purpose, any explanation of the Kennedy doctrine, would have had immediate repercussions politically harmful to the administration and to the party which it claims to represent.

The Kennedy doctrine—and it applies to the disengagement from Laos as well as to the Cuban problem—is based on a series of assumptions, mistaken and dangerous, as to the nature of the Communist system and the meaning of the Khrushchev hegemony. I say "mistaken" because neither experience nor scholarly analysis will sustain them. I say "dangerous" because they can lead to the destruction of this Republic and the ultimate victory of communism.

What are those assumptions? Some are general, some are specific. In the general category, the most prevalent assumption is the fond hope, expressed frequently by State Department policy planner Walt Rostow, that the Kremlin and its leaders are "maturing." So far, the only evidence of that maturity has been found in the speculations of journalistic "experts" who got the idea from Mr. Rostow in the first place. The major premise on which the Kennedy doctrine stands is therefore a product of tail-in-mouth reasoning. Khrushchev has been shrewder in his dealings with the free world than Stalin was. To be sure, he has been bound by certain consequences of the interregnum following Stalin's death—the let-up in pressure on the Russian people, the recognition of the need for consumer goods, and the demands of a bankrupting space program. Beyond this, however, the mixture is as before. The rape of Budapest and the

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

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For actions of May 16, 1963
88th-1st; No. 73

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HIGHLIGHTS; Senate passed feed grain bill. Ready for President. Both Houses agreed to conference report on outdoor recreation development bill. Ready for President. Rep. Cooley urged "yes" vote in wheat referendum.

SENATE

1. FEED GRAINS. By a vote of 45 to 35, passed without amendment H. R. 4997, to extend the feed grain program to 1964 and 1965 crops (pp. 8313-48, 8553-64). This bill will now be sent to the President. See Digests 51 and 60 for a summary of the provisions of this bill.

Rejected the following amendments:

By Sen. Dirksen, to provide for the disposal of CCC storage facilities and structures and for the future storage of CCC commodities in private commercial warehousing facilities and structures. pp. 8313-6

By Sen. Hickenlooper, 36 to 57, to limit payments in kind under the bill to not to exceed \$2,500 for any crop to any producer or any group of producers sharing the crop on any one farm. pp. 8316-22

By Sen. Hickenlooper, 31 to 58, to provide that the base period for determining the adjusted average yield in the case of payments on the 1964 and 1965 crops shall be the five-year period, 1956-1960. pp. 8322-5

By Sen. Hickenlooper, 35 to 57, to substitute a price support formula on feed grains "to provide 90 percent of the average price received by farmers during the 3 calendar years immediately preceding the calendar in which the marketing year for such crop begins...with the further proviso that the level of price support for any crop of corn shall not be less than 65 percent of the parity price therefor." pp. 8325-7

By Sen. Miller, 27, to 65, to provide that the Secretary of Agriculture shall consult with the Secretaries of Defense, State, and Health, Education and Welfare prior to determining whether the supply of any feed grain is in surplus supply so as to take into consideration national emergency considerations. pp. 8331-5

By Sen. Hickenlooper, 38 to 48, to provide that payments in kind under the bill shall not exceed the portion that was made available through payments in kind for the 1963 crop of any feed grain. p. 8335

By Sen. Hickenlooper, 34 to 48, to correct what he contended was a printing error in the bill. pp. 8343-8

By Sen. Hickenlooper, 34 to 45, to provide for a one-year extension of the feed grain program (rather than a two-year extension). pp. 8348, 8353-4

Sen. Curtis submitted, but later withdrew, a proposed amendment to provide for an expanded research program on industrial uses of agricultural commodities pp. 8328-31

2. SOIL CONSERVATION. Sen. Burdick commended the observance of Soil Stewardship Week and paid tribute "to the soil conservation districts of America, their national association, and cooperating church groups who sponsor this annual observance." p. 8367
3. GRAINS. Received an Ore. Legislature resolution favoring the establishment and maintenance of "stable and equitable price relationships among the various grains and among the major grain-producing and grain-feeding areas of the Nation." pp. 8300-1
4. FARM PROGRAM. Sens. Carlson and Young (N. Dak.) commended the work of former Congressman Clifford Hope who is retiring as president of Great Plains Wheat, Inc. p. 8341
5. PERSONNEL. Sen. Morse commended the awarding of a Distinguished Service Award by this Department to Dr. A. L. Hafenrichter who is employed by the Soil Conservation Service in Ore., the presenting of the Agriculture Unit Award to the personnel of the Pacific Northwest Forest and Range Experiment Station, Portland, Ore., and the presenting of 40-year service awards to three Forest Service employees in Ore., Ray B. Hampton, Jack B. Hogan, and Walter H. Lund. p. 8331
6. ELECTRIFICATION. Sen. Young (O.) commended the Tennessee Valley Authority on its 30th anniversary. pp. 8306-7
7. GRANTS-IN-AID. Sen. McIntyre supported a study of grants-in-aid to the States and inserted tables on the percentage of such aid received by the various States pp. 8312-3

Population, and rank, of States of the United States¹ as of July 1, 1961—Continued

| State | Population (in thousands) | Percent of population of the United States |
|-------------------------------|---------------------------|--|
| 12. North Carolina..... | 4,614 | 2.52 |
| 13. Missouri..... | 4,378 | 2.39 |
| 14. Virginia..... | 4,059 | 2.22 |
| 15. Wisconsin..... | 4,022 | 2.20 |
| 16. Georgia..... | 3,987 | 2.18 |
| 17. Tennessee..... | 3,615 | 1.98 |
| 18. Minnesota..... | 3,470 | 1.90 |
| 19. Louisiana..... | 3,321 | 1.82 |
| 20. Alabama..... | 3,302 | 1.80 |
| 21. Maryland..... | 3,188 | 1.74 |
| 22. Kentucky..... | 3,076 | 1.68 |
| 23. Washington..... | 2,902 | 1.59 |
| 24. Iowa..... | 2,779 | 1.52 |
| 25. Connecticut..... | 2,614 | 1.43 |
| 26. South Carolina..... | 2,407 | 1.32 |
| 27. Oklahoma..... | 2,360 | 1.29 |
| 28. Mississippi..... | 2,215 | 1.21 |
| 29. Kansas..... | 2,194 | 1.20 |
| 30. West Virginia..... | 1,850 | 1.01 |
| 31. Oregon..... | 1,793 | .98 |
| 32. Arkansas..... | 1,797 | .98 |
| 33. Colorado..... | 1,781 | .97 |
| 34. Nebraska..... | 1,431 | .78 |
| 35. Arizona..... | 1,391 | .76 |
| 36. Maine..... | 992 | .54 |
| 37. New Mexico..... | 983 | .54 |
| 38. Utah..... | 916 | .50 |
| 39. Rhode Island..... | 867 | .47 |
| 40. District of Columbia..... | 761 | .43 |
| 41. South Dakota..... | 690 | .38 |
| 42. Idaho..... | 684 | .37 |
| 43. Montana..... | 682 | .37 |
| 44. Hawaii..... | 657 | .36 |
| 45. North Dakota..... | 640 | .35 |
| 46. New Hampshire..... | 621 | .34 |
| 47. Delaware..... | 458 | .25 |
| 48. Vermont..... | 395 | .22 |
| 49. Wyoming..... | 338 | .18 |
| 50. Nevada..... | 299 | .16 |
| 51. Alaska..... | 234 | .13 |
| Total..... | 182,953 | 99.99 |

¹ Includes Armed Forces stationed in area.

Source: U.S. Department of Commerce, Bureau of the Census, Statistical Abstract of the United States, 1962 edition, p. 9. Primary source: Current Population Reports, Series P 25, Nos. 229, 238, and 239.

The PRESIDING OFFICER (Mr. BAYH in the chair). Is there further morning business? If not, morning business is closed.

FEED GRAIN ACT OF 1963

The Senate resumed the consideration of the bill (H.R. 4997) to extend the feed grain program.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (H.R. 4997) to extend the feed grain program.

The PRESIDING OFFICER. The pending amendment is the amendment of the Senator from Illinois [Mr. DIRKSEN] identified as amendment No. 87.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the amendment be considered as read.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is to add a new section at the end of the bill, as follows:

Sec. 5. Notwithstanding any other provision of law—

(a) No agricultural commodity hereafter acquired by the Commodity Credit Corporation shall be stored in any facility or structure owned, leased, rented, or controlled by the Commodity Credit Corporation. The Corporation shall, in providing for the storage of any such commodity acquired by it after the date of enactment of this Act,

utilize private commercial warehousing facilities and structures. The Corporation shall also give first consideration to storage of commodities in those facilities nearest the point of production.

(b) All storage facilities and structures owned by the Commodity Credit Corporation and utilized for the storage of agricultural commodities shall be disposed of by such Corporation within a period of not to exceed five years after the date of enactment of this Act. The disposition of such facilities and structures shall be made in accordance with the Federal Property and Administrative Services Act of 1949, as amended.

(c) No contract heretofore entered into by the Commodity Credit Corporation providing for the storage of any agricultural commodity and no lease of any facility or structure (used for the storage of agricultural commodities) heretofore entered into by the Commodity Credit Corporation shall be renewed or extended by the Corporation; and no funds shall be expended hereafter for the construction of or for the repair, alteration, restoration, or remodeling of any storage facility or structure owned or controlled by the Commodity Credit Corporation. The storage of all agricultural commodities now owned or controlled by the Commodity Credit Corporation shall be provided for in accordance with the requirements of subsection (a) of this section upon the expiration of existing contracts providing for the storage of such commodities and upon the expiration of existing leases for facilities and structures used for the storage of such commodities.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Judiciary Subcommittee of the Committee on the District of Columbia and the Territories Subcommittee of the Committee on Interior and Insular Affairs be permitted to sit during the session of the Senate today.

Mr. KEATING. Mr. President, did the Senator include the Subcommittee on Trading With the Enemy?

Mr. MANSFIELD. No. The only authorizations which I requested are those which were cleared on both sides.

Mr. KEATING. There has been no clearance of the authorization for that committee to meet?

Mr. MANSFIELD. No; only the Judiciary Subcommittee of the Committee on the District of Columbia and the Territories Subcommittee of the Committee on Interior and Insular Affairs.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum; and, for the benefit of the Senate and attachés, I announce that this will be a live quorum. I hope that all Senators will be notified. I ask unanimous consent that the time necessary for the call of the roll be outside the time limitation.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Montana? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 81 Leg.]

| | | |
|-----------|---------------|----------------|
| Anderson | Hartke | Nelson |
| Bartlett | Hickenlooper | Neuberger |
| Bayh | Inouye | Pearson |
| Bible | Jordan, N.C. | Proxmire |
| Brewster | Jordan, Idaho | Robertson |
| Burdick | Keating | Saltonstall |
| Carlson | Mansfield | Simpson |
| Clark | McCarthy | Sparkman |
| Cotton | McGee | Talmadge |
| Dirksen | McIntyre | Thurmond |
| Dominick | Mecham | Williams, Del. |
| Edmondson | Metcalf | Yarborough |
| Ellender | Miller | Young, N. Dak. |
| Ervin | Monroney | Young, Ohio |

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Utah [Mr. MOSS], and the Senator from Georgia [Mr. RUSSELL], are absent on official business.

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from New Jersey [Mr. CASE], and the Senator from Vermont [Mr. PROUTY], are necessarily absent.

The PRESIDING OFFICER. A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms is instructed to execute the order of the Senate.

After a little delay, Mr. AIKEN, Mr. BEALL, Mr. BENNETT, Mr. BOGGS, Mr. BYRD of Virginia, Mr. BYRD of West Virginia, Mr. CASE, Mr. CHURCH, Mr. COOPER, Mr. CURTIS, Mr. DODD, Mr. DOUGLAS, Mr. EASTLAND, Mr. ENGLE, Mr. FONG, Mr. GOLDWATER, Mr. GORE, Mr. GRUENING, Mr. HART, Mr. HAYDEN, Mr. HILL, Mr. HOLLAND, Mr. HRUSKA, Mr. HUMPHREY, Mr. JACKSON, Mr. JAVITS, Mr. JOHNSTON, Mr. KEFAUVER, Mr. KENNEDY, Mr. KUCHEL, Mr. LAUSCHE, Mr. LONG of Missouri, Mr. LONG of Louisiana, Mr. MAGNUSON, Mr. McCLELLAN, Mr. MCGOVERN, Mr. MCNAMARA, Mr. MORSE, Mr. MORTON, Mr. MUNDT, Mr. MUSKIE, Mr. PASTORE, Mr. PELL, Mr. RANDOLPH, Mr. RIBICOFF, Mr. SCOTT, Mr. SMATHERS, Mrs. SMITH, Mr. STENNIS, Mr. SYMINGTON, Mr. TOWER, and Mr. WILLIAMS of New Jersey entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

FEED GRAIN ACT OF 1963

The Senate resumed the consideration of the bill (H.R. 4997) to extend the feed grain program.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. President, on the 14th of March of this year the distinguished Senator from Utah [Mr. BENNETT] introduced a bill, cosponsored by eight other Senators; namely, Senators McCLELLAN, MUNDT, BYRD of Virginia, WILLIAMS of Delaware, THURMOND, TOWER, MILLER, and myself. It is

S. 1093 It is described as a bill "to establish a Federal policy concerning the termination, limitation, or establishment of business-type operations of the Government which may be conducted in competition with private enterprise, and for other purposes."

The bill provides that it may be cited as the "Anti-Government-Competition Act."

The whole question of Government competition with business has been discussed for as long as I can remember, and I know of no session of Congress in which bills have not been introduced in order to get the Government out of business.

The bill provides:

The term "business-type activity" means any activity involving the production of goods and the rendition of services commercially available from private business.

In pursuance of the spirit and intent and objective of that bill, it appears to me that one of the first and most important things we can do is to get the Commodity Credit Corporation out of the warehousing business. I am of the opinion that so long as the Government not only subsidizes agriculture, but also supplies the money with which to purchase the surpluses, then offers warehousing services, and, in addition, under authority granted by Congress, either in the form of give-away or barter or otherwise, disposes of such surplus commodities, we will not come to grips with the farm problem. I doubt very much that we will find a solution for the farm problem.

The amendment I have offered to the pending bill has one purpose, and only one purpose. It is to phase the Commodity Credit Corporation out of the warehousing business over a period of 5 years. It would make it impossible, from the day the bill is enacted, to construct, modify, or repair any of its storage facilities. In that period it could sell or otherwise liquidate its storage capacity.

If the Commodity Credit Corporation is permitted to continue its warehousing function, it will destroy the private commercial grain storage business, and it is well on the way of doing precisely that today.

I point out the position that the Commodity Credit Corporation occupies in the storage business. As of the 1st of January 1963, there existed in this country an off-farm storage capacity of 5,490 million bushels.

So, in round figures, we can say that if farm storage capacity today is $5\frac{1}{2}$ billion bushels, of that amount Commodity Credit Corporation owns nearly one-fifth, or space for the storage of 977 million bushels of grain. In round figures, we can say that if there is $5\frac{1}{2}$ billion bushels of off-farm storage capacity, and Commodity Credit Corporation owns roughly 1 billion bushels, or nearly one-fifth of that capacity, that is more than is stored by the largest warehousing concern in the country.

As of February of this year, Commodity Credit Corporation carried this storage space on its books at more than \$231 million. That is a capital investment in storage space of \$231 million-

plus. It is represented by a total of 263,195 individual storage units.

Anyone who has traveled through the Grain Belt has seen those storage units at various places. They stand, veritably, like metallic sentinels in the sun. Driving over the highways of the Middle West, it is something of a treat, in a way, on a moonlight night, to see those corn cans, as I call them—and wheat cans—standing there, shimmering in the moonlight. They are owned by the Federal Government and contain grain that is under seal and under loan, or is owned by the Federal Government through the Commodity Credit Corporation.

Mr. GOLDWATER. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. GOLDWATER. I know what the Senator is speaking about. Approximately a year ago I drove south from Indianapolis, Ind. It was quite an experience to be within constant sight of those multitudinous silos of metal. I should say, from the odor emanating from them, that the corn was not in too good shape. Although I have been through a distillery only once, those silos made me think I was driving through a 200-mile long distillery, as I smelled that corn slowly turning itself into another substance.

Mr. DIRKSEN. I shall allude to that fact a little later.

There is in the neighborhood of a quarter of a million of those storage units, and approximately a billion dollars of capital investment in them.

Let us consider what this costs the Commodity Credit Corporation. In fiscal year 1960, Commodity Credit Corporation paid, for the storage of agricultural commodities, \$476 million. In 1961, it paid \$426 million. In 1962, it paid \$393 million. So, notwithstanding the assertions that have been made by Commodity Credit Corporation or the Secretary of Agriculture, the present storage cost is still more than \$1 million a day. Does anyone doubt that this amount is a factor in the grain storage business? Consider one other factor. As of April 1, 1963—and that was only a few weeks back—the farm stocks of grain in storage were 3,480 million bushels. Of this amount, Commodity Credit Corporation had 2,132 million that was owned by the Corporation. If ever we as a government, were in the grain business, and in it 'up over our ears, that time is right now.

The record of the Commodity Credit Corporation in its grain storage activities is not quite all that might be desired. Only recently a situation developed in or near Indianapolis. There Commodity Credit Corporation bins containing 400,000 bushels of corn were opened, and the corn was found unfit for the purpose intended. Had this storage been in private bins, the operator would have been responsible for the loss. But Commodity Credit Corporation can take the loss and charge it against the taxpayers, who furnish all the money, to recoup the loss of the Corporation and to finance its various activities.

I point out that private storagers and

private elevators pay taxes. They pay taxes on the real estate; they pay taxes on the machinery; they pay taxes on the profits, if there are any.

Commodity Credit Corporation competes with private commercial storage operators with buildings and equipment that are paid for by all the taxpayers of the country. The employees of Commodity Credit Corporation are also paid out of public revenue. There is no more justification for this situation than if Commodity Credit Corporation were to own a railroad or a truckline or a barge-line with which to transport its commodities in competition with private transportation media.

This amendment would require all agricultural commodities acquired by Commodity Credit Corporation to be stored in private commercial bins or terminals. The amendment provides that the Corporation shall give first consideration to the storage of commodities in facilities nearest the point of production. Not only would there be a saving in freight rates; but I think such an arrangement would deal fairly with a good many of the smaller warehouses of the country.

The amendment directs Commodity Credit Corporation to dispose of its storage facilities over the next 5 years, in accordance with the Federal Property and Administrative Services Act of 1949. It forbids the expenditure of any further funds for the construction, repair, alteration, restoration, or remodeling of any storage facility or structure owned or controlled by Commodity Credit Corporation.

The purpose and intent of the amendment of business-type operations by the S. 1093, introduced by nine distinguished Members of this body. The amendment seeks to establish a Federal policy for terminating and limiting the establishment of business type operations by the Government which may be conducted in competition with private enterprise or for some other purpose.

That is the whole story. We discuss this subject, but nothing is ever done about it. The air of this Chamber has rung with eloquence about Government competition with private enterprise. I have seen amendments of this kind offered to appropriation bills and other measures, only to see them stricken. Then when we make a little headway in this direction, we find that someone who is affected by it quickly runs for cover.

We had better take some affirmative action to take the Government out of the grain storage business, or otherwise cease to discuss this subject constantly, knowing full well that no affirmative legislative action will be taken.

I submit the amendment to the Senate for whatever disposition it wishes to make of it. I reserve the remainder of my time.

Mr. ELLENDER. Mr. President, I yield myself 6 minutes.

The distinguished Senator from Illinois has correctly stated the purpose of the amendment. In essence, it is, more or less, to force the Government to get rid of all its grain storage facilities.

There is quite a history behind this proposal. It will be recalled that in 1948, Commodity Credit Corporation was denied the right to construct storage facilities, because it was felt then that private enterprise should have the opportunity to furnish storage.

We tried this out and discovered that many private storage facilities, although some of the bins were empty, refused to store grain. Therefore, it became very difficult for some farmers to be able to borrow money under Government price support programs. That caused the grain to go down in price.

The situation became so acute in the later part of 1948 and early 1949 that Congress amended the Commodity Credit Corporation Charter Act to give the Commodity Credit Corporation the authority to build or lease its own facilities. Even that provision was well safeguarded, because it gave to the Commodity Credit Corporation the right to construct or lease facilities only if existing privately owned warehouses were insufficient to furnish the needed service to the farmers and to the Government. I believe the program has worked very well. Certainly there have been enough facilities to take care of all situations; and, as a result, we have had a well-administered program.

Today, of the huge amount of commodities on hand, more than 21.2 percent is stored in Government-owned warehouses; the rest is in private-enterprise storage.

The Senator from Illinois wishes to have the Government dispose of all those facilities within the next 5 years; but with the immense amount of storage now available throughout the country, it can well be seen that the Government would receive little or nothing for these facilities, for which much money has been spent.

I have nothing further to add in regard to this amendment. I believe it would be folly to do now what the amendment provides; and it is my belief that in time the Secretary of Agriculture will deal with this matter in such a way that the storage will be returned to private enterprise.

I favor in principle what the Senator from Illinois is trying to do; but I can envision that if many of the existing companies which own and control many of these large storehouses were to get hold of all of them, the Government might again be called upon to pay through the nose.

The fact that we have these few facilities capable of storing about one-fifth of what we store does no great harm.

I believe that another provision of the amendment would be detrimental to the proper kind of management for the storage of these commodities. The Senator from Illinois has included in the amendment a clause which would more or less force the Commodity Credit Corporation to store the grain or other commodity near the place where it was produced. However, as most of us know, practically half of the wheat produced in this country, half of the rice, and a considerable percentage of many of the other stored commodities are sold abroad; so to force

the Government to store all these commodities near the place of production would, in my opinion, result in bad management. It is best to store sufficient quantities and qualities near the places from which they will be shipped in order to expedite trade. I believe that through the processes which have been developed up to now, the Department of Agriculture has been able to do a good job. I express the hope that as time passes, the Government will gradually be able to get out of the storage business, without the action proposed by this amendment.

So, Mr. President, I hope the amendment will be rejected.

Mr. DIRKSEN. Mr. President, the State of Illinois has a State crop-reporting service. On April 1 of this year it made a report which indicates that private storage has decreased by 26 percent, whereas Commodity Credit Corporation storage has increased by 2 percent. If there were a policy that all private storage should be utilized to the maximum before Commodity Credit Corporation storage was employed, that would be quite different. But no such policy has ever been pursued.

Mr. MILLER. Mr. President, will the Senator from Illinois yield for a question?

Mr. DIRKSEN. I yield.

Mr. MILLER. I should like to ask about the meaning of the provision in the amendment on page 1, beginning in line 8, as follows: "utilize private commercial warehousing facilities and structures."

Let me ask the Senator from Illinois whether the phrase "private commercial warehousing facilities and structures" would include not only those owned by individuals, partnerships, and corporations, but also those owned by cooperatives.

Mr. DIRKSEN. Yes, definitely so; a cooperative would come within the meaning of this provision.

Mr. MILLER. Also, beginning at the bottom of page 1 and continuing through line 2 on page 2, the amendment provides that:

The Corporation shall also give first consideration to storage of commodities in those facilities nearest the point production.

I can think of a situation, with which I am familiar, in which the storage facility nearest to a producer might not fit into this kind of situation, in view of the fact that the producer has a contract for storage with a storage facility at a point at a greater distance from his producing facilities. Of course it is in the same marketing area; nevertheless, it is located perhaps 2 or 3 miles farther away.

I suggest that perhaps the amendment might be modified so as to cover such a situation; and I wonder whether the Senator from Illinois would object to modifying his amendment so as to provide for that contingency.

Mr. DIRKSEN. The purpose of using the language now set forth in the amendment; namely, that "the Corporation shall also give first consideration," and so forth, offers, in my judgment, ample latitude. On the other hand, if

there is a belief that some clarification is required, I do not object to clarifying language such as that which the distinguished Senator from Iowa has mentioned.

Mr. MILLER. Then, Mr. President, to the amendment of the Senator from Illinois, I submit the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. Is there objection to receiving the amendment to the amendment at this time? The Chair hears none; and the amendment to the amendment will be stated.

The LEGISLATIVE CLERK. On page 2, in line 2, of the amendment, it is proposed to strike out the period and to insert: "or those facilities selected by the producer within his normal marketing area."

Mr. DIRKSEN. The amendment will probably clarify the situation. I have no objection to it.

Mr. MILLER. I appreciate the consideration of the Senator from Illinois. As I have said, I can visualize a situation in which first consideration might violate, or might cause difficulty, at least, over a contract between a producer and a storage facility a little more distant. I think it wise to provide that the selection be limited to a storage facility within the producer's normal marketing area. My amendment would so provide. If the Senator has no objection to my amendment to his amendment, I move the adoption of my amendment.

Mr. DIRKSEN. Mr. President, I will accept the amendment to the amendment that I have offered.

Mr. MILLER. I thank the Senator from Illinois.

The PRESIDING OFFICER. The Chair would like to set the record straight. The Senator from Illinois has used his prerogative of modifying his amendment in the form proposed in the amendment of the Senator from Iowa.

Mr. DIRKSEN. The Senator is correct.

Mr. ELLENDER. Mr. President, I have no further statement to make.

Mr. MILLER. Mr. President, will the Senator from Illinois yield 2 minutes to me?

Mr. DIRKSEN. I yield 2 minutes to the Senator from Iowa.

Mr. MILLER. I thank the Senator from Illinois. The objective of the amendment is very laudable. I am constantly receiving correspondence from my people complaining about the fact that the Federal Government is engaging too much in activities which otherwise ought to be and would be handled by private enterprise. When that happens, private enterprise is discouraged. The income taxes that would otherwise come into the Federal Treasury are lost, and the overall situation is not good. It seems that the degree to which the Federal Government is participating in activities which could well be handled by private enterprise is increasing rather than decreasing.

The Senator from Iowa happens to be a cosponsor of a bill which is now pending in one of the committees, and on which it is hoped to have hearings, which would direct that the Federal Govern-

ment get out of private enterprise activities. This is a good place to start. I see no reason except in a great emergency which does not exist now and has no possible existence in the foreseeable future, for the Federal Government to get into grain storage activities.

The Secretary of Agriculture prides himself in the fact that, due to his activities, the amount of grain in storage has been lessened considerably with respect to feed grains. If the grain storage with respect to feed grains has been considerably lessened—and it has—it would seem that the possibility of needing federally owned or federally leased storage facilities has been to that extent, greatly reduced.

So I hope that the amendment will be adopted. As I have said, there is no foreseeable need for these governmental activities. Private grain storage facilities today are operating by and large at 50 percent of capacity. I think that the Federal Treasury could well stand the income tax revenue which would flow from the results of the amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. Mr. President, I yield 1 minute to the distinguished Senator from Kansas.

Mr. CARLSON. Mr. President, I am pleased that there has been a discussion on the question of grain storage at this time. I shall support the amendment.

But I take the time allotted to me to make a statement, with the hope that the Commodity Credit Corporation will keep in mind that the private storage of this Nation now is not being used to anywhere near capacity. There are many private elevators that are in financial difficulty. First, Congress has, through accelerated depreciation in past years, facilitated the construction of many private elevators. These elevators are rendering a valuable service in the grain producing area.

Second, we have assisted in the construction of grain storage on the farms with loans through Federal agencies. I sincerely hope that that storage space will be used before the Commodity Credit Corporation makes it a point to fill its own storage facilities. Cooperation on the part of the Commodity Credit Corporation has been helpful. As our grain surplus declines it is most important that this cooperation continue in order to protect private industry.

I have in mind, too, that the distinguished chairman of the Committee on Agriculture and Forestry mentioned that the grain should be moved to points where it would be available for export. I would agree to that suggestion if and when there were export markets and ships available to move the grain. But I know of instances in our State in which the grain had been moved out of Kansas to coastal shipping ports when no grain had been sold and there was no immediate possibility of selling it.

Therefore, I hope that the Commodity Credit Corporation will keep in mind that the grain should be stored in the areas where it is produced until a definite market is available in a foreign country. There has been evidence that

the Commodity Credit Corporation has moved grain a distance of 100 miles or more to fill another elevator of the same grade and rating and I hope that this procedure will be discontinued.

Mr. ELLENDER. Mr. President, I yield back the remainder of my time, if that is agreeable to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DIRKSEN], as modified.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. HICKENLOOPER. Mr. President, I call up my amendment No. 82 and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from Iowa will be stated.

The LEGISLATIVE CLERK. On page 3, line 13, it is proposed to change the period to a colon and add the following: "Provided, That, notwithstanding any other provision of law, the Secretary shall in no case make available payments in kind under this subsection of a value in excess of \$2,500 for any crop (1) to any producer or (2) to any group of producers sharing the crop on any one farm."

Mr. HICKENLOOPER. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. HICKENLOOPER. Mr. President, I yield 2 minutes to the Senator from New York.

ARMS RACE IN THE MIDDLE EAST

Mr. JAVITS. Mr. President, about a week ago there was considerable debate on the floor of the Senate in relation to the problems of the Middle East. That debate resulted from the submission of a resolution by me, cosponsored by 11 other Senators, and the submission of a resolution by the distinguished Senator from Minnesota [Mr. HUMPHREY], sponsored by a number of Senators.

Generally speaking, they represent the same position. The United States must reassert in the Near East its determination that there shall not be a change in the situation by force, and that it will do everything it can to prevent the escalation of the arms race.

In the course of that debate it became very clear that many of us doubted the wisdom of the U.S. policy by which President Nasser's government was being fortified with about \$250 million in U.S. aid every year when at one and the same time he was pursuing policies which were inimical to the peace of that area, to international peace, and to the security and foreign policy of the United States.

At that time we were told that President Nasser was cooperating in respect to the Yemen, that Ellsworth Bunker, a very distinguished Ambassador of the United States to other countries—India, for example—had done a great job in bringing about a separation between the

forces of Egypt which were in Yemen—those fighting for the republic there, and the forces of the Yemen that were backed by Saudi Arabia.

This morning we have received information that sounds exactly like the information we have received from Castro's Cuba. Nasser is not pulling out his troops at all. He is merely rotating them. He is pursuing inexorably his determination for a total Middle East hegemony under his command, dedicated to the destruction of Israel and to all other kinds of mischief in that area, including closer relationships with the Soviet Union and the Communist bloc, from whom he draws all of his arms.

Mr. President, I think the policy of the United States must be deeply and intensively reviewed. We must adopt an amendment in the Congress—if the administration does not do this—with respect to the foreign aid bill, which will provide that none of our aid, directly or indirectly, may be used by President Nasser to escalate the arms race, to defy the foreign policy of the free world, to frustrate the United Nations as he is doing in the case of Yemen, and generally to lend himself to aggression and the gravest kind of danger of international war in this area of the world.

I thank my colleague for yielding.

FEED GRAIN ACT OF 1963

The Senate resumed the consideration of the bill (H.R. 4997) to extend the feed grain program.

Mr. HICKENLOOPER. Mr. President, the purpose of my amendment can be simply stated, as it is in the amendment; that is, to limit the payments under the feed grain bill to not to exceed \$2,500 for any crop to any producer or any group of producers sharing the crop on any one farm.

I think almost everyone understands exactly what that means. There have been instances all over this country of great payments to corporations, both eleemosynary and private. There have been large payments to people in this country who have purchased land for little or nothing and who, as a result of some of these programs, have received in 1 year or 2 years sufficient retirement payments or payments for the nonuse of this cheap land to more than pay for the land itself. There have been abuses of various kinds.

This is merely an attempt to make sure that the benefits will reach the small farmers, by limiting payments to \$2,500.

The Senator from Delaware [Mr. WILLIAMS] has pursued this subject in the past on several occasions. The Senator spoke to me only a moment ago. I believe the Senator has some comments on this particular phase of the question and some figures which he has developed. If he so desires, I shall be glad to yield to him so much time as he may desire to develop those figures and to continue to present the story as he has previously presented it.

Mr. HOLLAND. Mr. President, before the Senator yields to the Senator from

Delaware, will he yield to me for a question?

Mr. HICKENLOOPER. I yield.

Mr. HOLLAND. Do I correctly understand that the \$2,500 limitation proposed is the same limitation which was discussed in the committee and on which a committee vote was taken?

Mr. HICKENLOOPER. It is.

Mr. HOLLAND. Do I correctly understand that the limitation would be solely upon the bonus payment or the payment in kind to be given over and above the loan?

Mr. HICKENLOOPER. The way the amendment reads, the Senator is correct.

Mr. HOLLAND. I thank the Senator.

Mr. HICKENLOOPER. I yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I thank the Senator from Iowa. I am delighted to join the Senator in support of the amendment.

All Senators would claim that the purpose of the bill is to help the bona fide farmers, but I have called the attention of the Senate on previous occasions to the manner in which this program has been abused and that the real farmers are not getting the benefits.

I have recently received another report from the Department. It shows that last year—in 1962—the Ford Motor Co. received \$2,999.33 not to grow a crop. By what line of reasoning could the Ford Motor Co. be recognized as an American family farmer?

The Reynolds Metals Co., another large corporation, drew \$13,070.54.

The American Crystal Sugar Co. drew \$6,031.25. In addition, that company drew \$1,462.72 worth of free lime and fertilizer to increase the productivity on its other acreage.

One of these corporate farmers received a payment as large as \$156,000. The Farmers Investment Co., of Tucson, Ariz., last year received a total of \$156,500.88 under this program. In addition, \$2,500 more was paid to them to help buy lime and fertilizer to increase the productivity on the remaining acreage.

I put into the RECORD a couple of three weeks ago some information from State of Arizona officials showing that this company was renting some of this land for as low as \$3 or \$4 an acre from the State while the Government, under this feed-grains program, was paying these same people \$35 or \$40 an acre not to cultivate this same land. Who said farming on the New Frontier was not profitable—the only trouble is, the taxpayers are the ones getting plowed under.

Another example: there was a payment to Louisiana State Penitentiary of \$42,108 last year under this same program.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. Who leases the land to the lessee at \$3 or \$4 an acre?

Mr. WILLIAMS of Delaware. The State of Arizona.

Mr. LAUSCHE. The State of Arizona leases it. How much does the Federal Government pay?

Mr. WILLIAMS of Delaware. It pays \$35 to \$40 per acre not to cultivate the

land, after it had been leased from the State of Arizona at an average rate of around \$4 per acre. I say that that is farming the Federal Government and the taxpayers, not cultivating the soil.

The Louisiana State Penitentiary last year received \$42,108 not to cultivate some of its land.

The Glades State Prison Farm of Florida received \$8,947.20 to stop some of its farming operations.

We have been told that in the bill there are penalties provided against farmers who accept payments illegally. An interesting question comes to my mind: Suppose there is a violation of the law in these latter instances. How could we put a penitentiary in the penitentiary for not complying with a Government order? These examples just show how downright silly this program really is.

There is an airport in Nebraska which drew \$12,626 not to raise corn on the airstrip. The airport wanted to extend the runways and very properly bought some adjoining land. Certainly they were not going to raise corn on the runway nor along the side of it, but the Federal Government, under this feed grain program, is paying them not to raise it.

Those are only some of the abuses going on under this "cockeyed" program, and they will continue unless we place in the bill some restrictions as advocated by the pending amendment.

Mr. President, I ask unanimous consent that this list of some of the payments made last year be printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

| Name and address | Payment in kind, feed grain | Cost shares, ACP | Payments, CR |
|--|-----------------------------|------------------|--------------|
| The Ford Motor Co., Belleville, Mich. | \$2,999.33 | 0 | 0 |
| The Reynolds Metals Co., Henderson, Ky. | 13,070.54 | 0 | 0 |
| American Crystal Sugar Co., Rocky Ford, Colo. | 6,031.25 | 1,462.72 | 0 |
| Milliken Trust Co., Decatur, Ill. | 761.65 | 129.61 | 0 |
| St. Benedict's College, Atchison, Kans. | 8,761.31 | 2,499.02 | 0 |
| Glades State Prison Farm, Belle Glade, Fla. | 8,947.20 | 0 | 0 |
| Louisiana State Penitentiary, Angola, La. | 42,108.00 | 0 | 0 |
| Waterloo Municipal Airport, Waterloo, Iowa | 5,864.34 | 0 | 0 |
| Kearney Municipal Airport, Kearney, Nebr. | 12,626.00 | 0 | 0 |
| Delta & Pine Land Co., Scott, Miss. | 11,409.68 | 1,970.00 | 0 |
| Agriculture Inc., Girvin, Tex. | 22,986.44 | 0 | 0 |
| Farmers Investment Co., Tucson, Ariz. | 156,500.88 | 2,500.00 | 0 |
| City of St. Louis, St. Louis, Mo. | 9,306.60 | 0 | 0 |
| C. Bruce Mace Ranch, Inc., Box 187, Davis, Calif. | 76,517.14 | 0 | 0 |
| A. H. Nichols, 724 East 3d, Dixon, Ill. | 41,056.44 | 0 | 0 |
| Wm. Gehring, Inc., Route 1, Rensselaer, Ind. | 61,835.82 | 0 | 0 |
| RLDS Church Farms, Independence, Mo. | 60,652.90 | 1,250.25 | 0 |
| Hill Farms, Hart, Tex. | 59,973.55 | 0 | 0 |
| J.C. Mills, Box 726, Abernathy, Tex. | 8,494.50 | 0 | 0 |
| V.H. & J.M. Tatton, Salt Creek Ranch, Refugio, Tex. | 53,320.40 | 0 | 0 |
| Gila River Ranch, Post Office Box 67, Gila Bend, Ariz. | 132,913.80 | 2,445.13 | 0 |
| Layton Knaggs, Post Office Box 970, Woodland, Calif. | 51,616.00 | 2,500.00 | 0 |
| Arthur P. Gumz, North Judson, Ind. | 42,630.82 | 0 | 0 |
| Overmeyer Farms, Inc., Wolcott, Ind. | 59,393.74 | 728.00 | 0 |
| Halsell Cattle Co., Care of W. F. Rowland, Amerherst, Tex. | 19,431.24 | 0 | 0 |
| Tom Moore, Navasota, Tex. | 35,857.22 | 993.68 | 0 |
| Moser Ranch, Route 4, DeKalb, Tex. | 47,362.43 | 5,000.00 | 0 |
| Northern Trust Co., Chicago, Ill. | 375.84 | 0 | 0 |

Mr. WILLIAMS of Delaware. Included in the list is the Delta & Pine Land Co., which was paid \$11,409.68 not to cultivate some of its land. The same company drew another \$1,970 in free fertilizer and lime at the taxpayers' expense. This company is not even owned by Americans. This is a British-owned company which is operating in the United States. I do not question its right to do so. However, why should we subsidize a British-owned company for its farming operations in the United States of America?

I think it is high time that we recognize that this is not a farm program to benefit the bona fide farmers but more of a political scheme to get votes. It will bankrupt the taxpayers if some controls are not imposed. The only way to impose controls on the cost is to vote for this amendment to establish a limit on these payments.

The City of St. Louis, Mo., as a city government, with the address of "city hall," is classified as a farmer under the terms of the Kennedy-Freeman feed grains program. That city drew \$9,306.60 last year to curtail its farming operations. By what line of reasoning could anybody say that the city of St.

Louis, as a city government, could be classified as a farmer any more than the Ford Motor Co. or a municipal airport or some of these other operations could be so classified?

Much has been said in recent months about the farm operations of Billy Sol Estes. Agriculture, Inc., of Girvin, Tex., listed above as having received \$22,986.44 last year under this program is one of Mr. Estes' companies.

All of these companies will continue to be eligible for these handouts unless this amendment is approved.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. The only way one could ascribe rationality to this program would be to say that the Congress is gifted with some sort of supernatural thinking power which is in complete discord with ordinary logic. Every instance which the Senator from Delaware has described shows clearly the irrationality of what is being done. Rational people would have to laugh and ridicule what we do, yet year after year the great Congress persists in following this unjustified and unreasonable program.

Mr. WILLIAMS of Delaware. There is no question about it. It is ridiculous. One of the larger banks of the Midwest is listed on the report as having received payments under this farm program which is described as being for the help of the small farmer in maintaining his farming operation.

Mr. LAUSCHE. May I ask what bank that is? It is one of the large banking institutions; is it not?

Mr. WILLIAMS of Delaware. Yes, the Milliken Trust Co., of Decatur, Ill., and the Northern Trust Co., of Chicago, Ill.

Mr. LAUSCHE. And they fall within the category of the "poor little farmer whom we must save from destruction?"

Mr. WILLIAMS of Delaware. Yes. I do not question the right of any American citizen or any of these companies to buy land and operate it, and I will defend that right; but surely there is no logical reason one could give why we ought to tax the American people to subsidize their operations. The corporation type or absentee farmer should not be subsidized at all. As I have said, these payments go as high as \$156,000. Several go over \$50,000. Nobody can say that the beneficiaries are little farmers. I repeat the only way to curtail that kind of activity, if we do not like it, is to vote for the amendment and establish some control over it.

Mr. ELLENDER. Mr. President, will the Senator yield to me, on my time?

Mr. WILLIAMS of Delaware. Yes.

Mr. ELLENDER. Under what program were those payments made?

Mr. WILLIAMS of Delaware. Under the feed grain program the same one we are now considering. The information was furnished by the Secretary of Agriculture. These are payments in kind made under the Kennedy-Freeman feed grains program.

Mr. ELLENDER. For what year?

Mr. WILLIAMS of Delaware. For the previous calendar year, 1962.

Mr. LAUSCHE. Mr. President, if the Senator will yield, may I ask the Senator from Louisiana how he can justify these payments?

Mr. ELLENDER. I will explain this in a moment, in the meantime I will let the Senator from Ohio do that now, if he wishes.

Mr. LAUSCHE. The only way I could justify it would be to cast aside all my thinking power and adopt a twisted judgment that this practice could be justified.

Mr. ELLENDER. I remind the Senator that this is not a mandatory program; it is a voluntary program. The program was adopted in order to reduce our surpluses. Whether we reduce surpluses through the small farmer or the larger farmer does not make any difference. The idea was to reduce surpluses.

Mr. HICKENLOOPER. Mr. President, I am a little "chinche" about the time.

Mr. ELLENDER. This is out of my time.

Mr. HICKENLOOPER. I do not mean to be narrow about it, but with the limitation, and the Senator from Louisi-

ana having 30 minutes, I am willing to have the time divided up somewhat.

Mr. HOLLAND. Mr. President, will the Senator yield for one question, before he gets into his learned address?

Mr. HICKENLOOPER. I am not sure the address will be learned, but I yield.

Mr. HOLLAND. I have just done a little calculating. The way I see the figure of \$2,500, which would be the limitation of the payment in kind, which is the bonus payment, the amendment would permit payment in kind to the fullest extent to the growers of the country on production from 210 acres, at the smallest, if 18 cents is the amount used, up to 400 acres, at the largest, if only 10 cents is used. Those are the two figures I have heard used within the planning of the Secretary of Agriculture.

I ask the distinguished Senator if that does not mean that all the small farmers, plus many of the middle-sized farmers, would be completely protected in the matter, and would be able to derive the whole largess from the Government; and that the only people adversely affected by his amendment would be those with large acreage beyond the figures I have indicated.

Mr. HICKENLOOPER. There is no question in my mind that the Senator from Florida is substantially correct. I think both of us would have to sit down with sharp pencils to be able to determine the exact amount of the payments. The figure would be somewhere between 220 acres and 400 or 500 acres, depending on the amount, which would encompass all of the sound, realistic small farms in this country. This amendment would protect them. It would reach the unconscionable payments which the Senator from Delaware has pointed out. The Senator from Florida is correct.

Mr. HOLLAND. Will the Senator yield for a further question?

Mr. HICKENLOOPER. I yield.

Mr. HOLLAND. Is it not true that those whose hearts have been bleeding for the small farmers of the Nation have an opportunity to strike a blow for their special protection and against the mulcting of the Government by means of bonus payments to larger farmers?

Mr. HICKENLOOPER. Indeed, that is the point; but it raises the question whether the tears which are sometimes shed for the small farmer are crocodile tears or genuine tears. We have tried to ascertain that.

This proposal was presented before the committee. It was promptly and speedily voted down and thrown out the window. But the Senator from Delaware, more eloquently and more concisely and with greater impact than I could bring to bear, has pointed out clearly what applies to many of the other amendments, and that is the absolute necessity which I think confronted the Agriculture Committee of the Senate to look at this bill and correct the inequities in it before it was brought so ruthlessly to the floor of the Senate, under orders, "Don't amend it under any circumstances. We want to use it as a political whip for the wheat referendum."

This proposal points out the silliness of the bill. This amendment should have

received very careful consideration, along with other amendments, but the orders came from on high, or higher than that—I do not know where they came from.

Mr. LAUSCHE. Ex cathedra.

Mr. HICKENLOOPER. "No changes. No amendments. We have to have it as a referendum vote lever by the 21st day of this month."

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. LAUSCHE. Ohioans have come to me and told me that they were remorseful because they were taking money from the Government under this agricultural support program. A banker has to take it, because his stockholders might say, "You are not fulfilling your duty unless you take it." They ask me, "How do you support a program of that kind?" and there I stand, defenseless, unable to give answer—and I stand defenseless because there are too few willing to assert themselves against a program that cannot be supported by reason.

The only way one can adopt it is to cast his reason aside and say he will dip the ladle into the Federal Treasury and distribute the money imprudently and criminally.

Mr. President, I shall support this amendment. I cannot vote for the bill. It is an affront to the intelligence of every American citizen.

Mr. HICKENLOOPER. I thank the Senator from Ohio. He has touched on one of the main elements involved in this amendment.

Again I point out, not only to the Senator from Ohio, who realizes it fully, I am sure, but to other Members of the Senate, that it is a tragedy that so few Senators are present. Senators will come to the Chamber shortly and cast their votes on an important portion of the feed grain bill that affects agriculture so greatly. I venture to say, with all respect to Members of the Senate, that many of them will not know what is involved in the amendment when they vote "nay" on it.

Mr. LAUSCHE. Mr. President, if the Senator will yield, that will happen because ex cathedra the order has come as to what shall be done.

Mr. HICKENLOOPER. Mr. President, how much time have I left?

The PRESIDING OFFICER. The Senator from Iowa has 11 minutes remaining.

Mr. HICKENLOOPER. For the purpose of creating a group of listeners for the chairman of the committee, if he has anything to say, I shall be glad to suggest the absence of a quorum in order to notify Members of the Senate. Then I hope to have the order for the quorum call rescinded soon after it starts. There are too few Members of the Senate on the floor at this time for the Membership to get an idea of what is going on.

Mr. MANSFIELD. Mr. President, will the Senator yield so that I may suggest the absence of a quorum, and then withdraw it after the bells are rung?

Mr. HICKENLOOPER. That is what I had in mind.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, the bells having rung and Senators being on their way over, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HICKENLOOPER. At this time I shall reserve the remainder of my time. I do not care to pursue the subject further at the moment. I assume the opposition to the amendment may wish to make some comments. I reserve the remainder of my time.

Mr. ELLENDER. I presume, then, that the Senator is willing for me to talk to an almost empty Chamber. That is all right with me.

Mr. HICKENLOOPER. If the Senator will yield, I thought I was doing him a favor by asking that there be a quorum call, so that he would have some listeners.

Mr. ELLENDER. I believe that most of the Senators present, as well as many Senators who are not present, understand the program very well. Every facet of it has been debated. My good friend from Iowa and my good friend from Ohio become "all steamed up" about the program. Neither has supported the feed grain program. They are in the same corner that they have been in since the program was put on the statute books. It is my considered judgment—and I may be in error—that in my opening remarks I made a fairly good case for an extension of the program. It was shown that without question, in my judgment, there has been a gradual decrease in the huge surpluses that have been accumulating over the years.

I should like now to address myself for a few minutes to the pending amendment. The purpose of the bill before us is to decrease surpluses. Whether the decrease comes through the big grower or the small grower makes no difference to us. The idea is to decrease the surpluses of corn and other feed grains, so that supplies can be brought into line with our requirements. The problem is that simple.

If, by the proposed amendment, we should curtail payments to the large farmers, who by diverting their acres make a dent in the surplus production, we would not get anywhere. We could not have gotten the 25 million acres that we had last year and the year before in our effort to reach our goal of reducing the surpluses.

I admit that in the past we have made large payments. Efforts were made by the committee on two or three occasions to establish limits. However, I go back to the proposition that the program is a voluntary program and its purpose is to reduce surpluses. We can better do that, in my opinion, by working through all farmers, both large and small. If we applied a limitation it would make more

difficult, if not impossible, the reaching of our goal.

I hope the amendment will be voted down. I am ready to vote on it.

Mr. HICKENLOOPER. Mr. President, the Senator from Louisiana, the chairman of the committee, said that I had not supported the program. That is very true. I have not supported it. I have not supported a program that requires airports not to plant agricultural products on land reserved for airstrips. I have not voted for a program that rewards corporations which have no intention basically of using land for agricultural purposes, to refrain from doing what they do not intend to do.

I am trying to support a proposal that will pay the small family farmer. As has been pointed out by the Senator from Florida, under the program which is at least alleged by the Secretary of Agriculture, the limitation would take care of the family size farm without any trouble. It would preclude the corporate operator. It would preclude the municipality. As the Senator from Delaware has pointed out, it would preclude penitentiaries from collecting these payments. He has very properly pointed out the difficulty of putting a penitentiary into a penitentiary for not obeying the law.

The amendment would take care of the family size farm, depending on the amount of the payment, from a corner of a section to 400 or 500 acres. That would encompass practically all of the so-called family size farms in the United States. I believe it would be a reasonably fair statement to say that that would encompass all the family size farms of the United States. There could be some exceptions, I suppose. A man with a ranch who had a thousand acres of jackrabbit land which did not take more than one person to operate could be an exception. There might be one or two exceptions like that. However, it would take care of the family size farm, and it would exclude a great many of the abuses that have been pointed out. The most important thing in connection with the procedure now being followed is that it is a manifest injustice and a manifest weakness in the law. It is something that should have been considered by the committee. Instead, it was ruthlessly overridden by the committee.

It is another one of the corrective steps that should have been taken. However, the orders came down to put no amendments on the bill and to consider none, and to vote the bill out of committee without amendments, and to reject amendments on the floor of the Senate. Those were the orders. That is the course of action that is being followed today on the bill and was followed yesterday and will be followed tomorrow and the next day and in the days to follow.

In my judgement, the merits are not so controlling as the political orders that have come down.

I say that the amendment has been very clearly demonstrated to be one that should have been considered in commit-

tee, so that these injustices and inequities could have been corrected, as they should have been corrected. That was not the case. However, it is not too late to correct them. They could be corrected on the floor of the Senate by responsible Senators casting responsible votes. The fantastic and amusing situations—although amusing, they are nevertheless serious—which have been pointed out by the Senator from Delaware, can be corrected. If we correct them, we will avoid passing legislation that will contain provisions permitting the abuse of a program designed to help the farmer of America, rather than to help, as it does in many cases, corporations and groups that are not basically involved in farming, but who happen to have land that could lend itself to farming, even though they never intended to use it for farming. The result is they get paid for not doing what they never intended to do in the first place.

I am not under any illusion on this question. I know what the program is. I know what the pattern is and what it has been.

Mr. GOLDWATER. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield to the Senator from Arizona.

Mr. GOLDWATER. I heard the distinguished chairman of the committee say that the purpose of the program is to reduce surpluses. I wish to ask the Senator from Iowa a question about the table he placed in the RECORD on last Tuesday, at page 7982. There are two tables. One is entitled "Items as of March 31." The other is entitled "Items in Price-Support Inventory of CCC as of March 31." Which of those two tables would be the one pertinent to point out a reduction in inventory or a failure to reduce inventory? They seem to be identical lists. In arguing whether surpluses are being reduced under this program, which table would the Senator refer to?

Mr. HICKENLOOPER. I would refer to the bottom table.

Mr. GOLDWATER. The bottom table does not indicate to me that there has been any substantial reduction under this program. Therefore, I cannot buy the argument of the chairman of the committee that this program is so vitally needed. It is true that there are some reductions, but they are exceedingly small reductions compared with the cost with which the taxpayers are confronted in paying for the program.

I am intrigued by one figure—

Mr. HICKENLOOPER. If the Senator will refer to the top table, the one entitled "Items as of March 31," he will see that in 1962 there were 851,795,530 bushels of corn on hand, having a value of \$953,711,669.

In 1963, as of March 31, going to the left-hand column, the Senator will find that the amount of corn on hand had increased by 56 million bushels, to 907 million, with a corresponding increase in value, in 1963, to \$1,020,795,000. That shows that there has been an increase.

The same is true with respect to soybeans. Also, the amount of butter in

storage has greatly increased under this program.

I point out something else to the Senator: Corn has been selling at \$1 or less on the open market under this program. Of course, that has been by deliberate design, testified to by the Secretary, to keep the price low, in the knowledge that cheap feed grain means cheap livestock. We have had the lowest feed prices for cattle this spring than we have had for many years.

The PRESIDING OFFICER. The time allotted to the Senator from Iowa under the amendment has expired.

Mr. ELLENDER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back—

Mr. GOLDWATER. Mr. President, may I ask the chairman of the committee to explain to some of us, at least, who do not understand this subject so well, why the program, according to this table, does not seem to be working?

Mr. ELLENDER. Is the Senator referring to the Farm Bureau program?

Mr. MANSFIELD. Mr. President, I must call the attention of the Senator to the fact that the Senate is operating under a time limitation.

Mr. ELLENDER. I refer the Senator from Arizona to page 7823 of the RECORD of Monday, May 13, 1963.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Louisiana, chairman of the Committee on Agriculture and Forestry, may have 1 minute allotted to him in which to answer the query of the Senator from Arizona.

Mr. GOLDWATER. I am reading from the RECORD a bulletin of the U.S. Department of Agriculture, recently released.

The PRESIDING OFFICER. Without objection, the Senator from Louisiana is recognized for 1 minute.

Mr. ELLENDER. I suggest that the Senator from Arizona refer to page 7823 of the RECORD of last Monday. He will find there a table indicating that production in 1954 was 114.1 million tons. That production continued to increase, until 1960, to 155.6 million tons. In the first year of the program, production dropped 15 million tons. The next year it dropped 12½ million tons.

Then, if the Senator will look at the column entitled "Carryover," he will notice that in 1954 the carryover was 31.7 million tons. By 1961, before the first program became effective, the carryover had increased to 84.7 million tons. In the year after the program, production had decreased from 84.7 million tons to 71.8 million tons. In 1963, production will drop to 61 million tons.

Mr. GOLDWATER. Mr. President, may I be permitted to ask one more question, so that I may have an opportunity to study this situation?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Louisiana may be granted an additional minute.

The PRESIDING OFFICER. Is there objection?

Mr. HICKENLOOPER. Mr. President, the Senator from Louisiana had a

considerable amount of time which he yielded back. I ask unanimous consent that he be allowed to recapture the remainder of the time originally allotted, so that he may answer questions.

Mr. ELLENDER. I shall not need all of that time.

The PRESIDING OFFICER. The Chair would like to set the record straight. Did the Senator from Iowa ask unanimous consent that the Senator from Louisiana might reclaim the remainder of his time.

Mr. HICKENLOOPER. The Senator from Louisiana ought to be yielded back the remainder of the time he had under his control.

The PRESIDING OFFICER. It is the prerogative of the Senator from Louisiana to decide whether he wishes to do that or not.

Mr. HICKENLOOPER. If he does not wish to do so, that is all right; but if it is agreeable to the Senator, I ask unanimous consent that he be permitted to reclaim the remainder of the time he has yielded back.

The PRESIDING OFFICER. Is there objection to permitting the Senator from Louisiana to reclaim the remainder of the time he had yielded back, if he desires to reclaim it? The Chair hears none, and it is so ordered.

Mr. GOLDWATER. Mr. President, will the Senator from Louisiana restate the number of the page to which he referred?

Mr. ELLENDER. It is page 7823 of the RECORD of Monday, May 13, 1963. The Senator will notice that the table applies to the production, utilization, and carryover of all feed grains from the year 1954 through 1962.

The table to which the Senator from Arizona refers applies to all surpluses. We are dealing today with surplus feed grains. That is why I placed in the RECORD a table which dealt solely with feed grains.

Mr. GOLDWATER. I appreciate that; but is the table which the Senator placed in the RECORD on Monday a compilation of the Department of Agriculture?

Mr. ELLENDER. Yes.

Mr. GOLDWATER. It was prepared by the Department of Agriculture?

Mr. ELLENDER. It was prepared by the committee economist from records of the Department of Agriculture; that is correct.

Mr. GOLDWATER. The table to which I am referring, which was placed in the RECORD by the Senator from Iowa [Mr. HICKENLOOPER] on Tuesday last, was prepared by the Department of Agriculture.

Looking only at the grain section, I would not say that those figures exactly coincide with the figures in the table placed in the RECORD on Monday by the Senator from Louisiana. That is why the question arose in my mind. As I examine some of the figures, I find rather sizable increases in the surplus. I look at other figures and find small decreases. I have not totaled them.

Mr. ELLENDER. The reason is that one table contains figures prepared as of March 31; the other has figures based on a projection to October 1 of this year.

Mr. GOLDWATER. That is as of October 1?

Mr. ELLENDER. Yes; the latest available figure.

Mr. GOLDWATER. Does the Senator from Louisiana recall, for example, the figure for soybeans in his table?

Mr. ELLENDER. Soybeans are not included in this table.

Mr. GOLDWATER. Then let us consider another one as to which there is a discrepancy. How about corn?

Mr. ELLENDER. Very well. If the Senator from Arizona will refer to page 7824 of the CONGRESSIONAL RECORD for Monday, he will notice that the production of corn in 1954 was 2,708 million bushels. That production increased until 1960, when it was 3,908 million bushels. In 1961, the first year of the program, it decreased from 3,908 million bushels to 3,626 million bushels.

Mr. GOLDWATER. Mr. President, will the Senator from Louisiana yield at this point?

The PRESIDING OFFICER (Mr. RIBICOFF in the chair). Does the Senator from Louisiana yield to the Senator from Arizona?

Mr. ELLENDER. I yield.

Mr. GOLDWATER. However, in 1963 it increased again, according to the Senator's table.

Mr. ELLENDER. The year 1963 was a program year; and there was not an increase. The other figure was for a period without the program.

Mr. GOLDWATER. No, Mr. President; I am reading after the words "with programs", and the figure is 3,800 million; and the figure for the period without the program is 4,430 million.

Mr. ELLENDER. In 1960, the year before the program, it was 3.9 billion bushels.

Mr. GOLDWATER. That is correct.

Mr. ELLENDER. And for 1962 the production was 3.6 billion bushels.

Mr. GOLDWATER. And for 1963, the table gives 3.8.

Mr. ELLENDER. But that is only an estimate; we do not know exactly what the production will be this year. As a matter of fact, the corn is now in the process of growing.

Mr. GOLDWATER. Will the Senator from Louisiana state what his figures show in regard to grain sorghums, because the table prepared by the Commodity Credit Corporation shows, for grain sorghums, a rather sizable increase. What do the Senator's figures show?

Mr. ELLENDER. In 1954 the production of sorghums was 236 million bushels; in 1960, 630 million bushels. The Senator will note that there was a gradual increase until 1960. In 1961, the first year of the program, it decreased from 630 million bushels to 480 million bushels. In 1962 it decreased to 509 million bushels, which was the actual production—from 630 million bushels when we had no program.

The estimated production for 1963 is 565 million bushels, in contrast to production of 630 million bushels during the last year of no program.

Mr. GOLDWATER. Will the Senator from Louisiana give a comparison, from

his chart, for grain sorghums, between the years 1960 and 1962, actual, on the carryovers and the inventories?

Mr. ELLENDER. Very well. In 1960, the carryover was 762 million bushels. In 1961 it was reduced to 661 million bushels; in 1962, 625 million bushels; and the estimate for 1963 is that it will be 675 million bushels.

Mr. GOLDWATER. Are those the actual inventories carried in Government storage?

Mr. ELLENDER. No, that is the total carryover at the end of the marketing year, which is October 1.

Mr. GOLDWATER. Can the Senator from Louisiana tell me about the situation of the inventories of grain sorghums contained in Government storage?

Mr. ELLENDER. I have just given that information to the Senator.

Mr. GOLDWATER. The Senator from Louisiana gave me the figures on the production and the carryover.

Mr. ELLENDER. Well, I do not have the other figure here at the moment.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. WILLIAMS of Delaware. I have the figures, and I think they give the key to the entire problem:

On January 31, 1961, we had 311,168,443 hundredweight of grain sorghum in Government storage. It was in 1961 that they started this feed-grains program, and they have since paid out several million dollars to curtail production. Yet, as of March 31, 1963, the Commodity Credit Corporation reports that its inventories of grain sorghum—after it had paid all that money—were 512,451,000 bushels. It should be noted that they now count this commodity in bushels. We now have over a half billion dollars invested in grain sorghum which is stored in Government warehouses.

This program has not reduced surpluses as claimed.

Mr. GOLDWATER. Does the chairman of the committee agree with those figures?

Mr. ELLENDER. Any figures shown in the RECORD are from the Department of Agriculture, and all of them are correct. I respectfully refer the Speaker to these tables, and I ask him to take into consideration the fact they were calculated as of different dates. The inventory and price-support loan figures change daily as well as monthly. The Department publishes the monthly figures regularly. The figures I have quoted are as of the end of the marketing year for corn and sorghums, which happens to be October 1. The Senator's figures are as of March 31, an entirely different date, and they should be different.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Louisiana yield again to me?

Mr. ELLENDER. I yield.

Mr. WILLIAMS of Delaware. These figures which I am using are all obtained from the Department of Agriculture reports.

Mr. ELLENDER. I do not know about that. I am referring now to the figures

which appear on page 7982 of the CONGRESSIONAL RECORD.

Mr. GOLDWATER. Mr. President, I am not trying to delay, and I am not at all knowledgeable about this matter. However, we are asked to vote for the authorization of the appropriation of a great deal of money; and the Senator from Louisiana has stated that this program has reduced the surpluses. I am rather confused because one set of figures, as compiled by the Department of Agriculture, shows that the program has not reduced these surpluses; but under the figures used by the Senator from Louisiana, he says the program has reduced the surpluses. However, the figures he is using were not compiled by the Department of Agriculture; they were compiled by an economist. On the other hand, the distinguished Senator from Delaware [Mr. WILLIAMS] has offered figures from the Department of Agriculture.

Frankly, all this causes me to have some doubt as to whether the program has been working. I merely asked the distinguished chairman of the committee whether he agrees with the figures submitted by the Senator from Delaware in regard to storage in Government warehouses.

Mr. ELLENDER. I do not know about the Senator's interpretation; but the figures I placed in the RECORD are from the Department of Agriculture, and have been put together by our economist; and they are genuine figures, and they are the same as those appearing on page 7982 of the CONGRESSIONAL RECORD.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Louisiana yield again to me?

Mr. ELLENDER. I yield.

Mr. WILLIAMS of Delaware. The figures I am quoting are from the report of the Commodity Credit Corporation as furnished to the Congress. I have here on my desk copies of the reports, and I am reading from page 28 of the report. This shows that the Government's inventory of grain sorghum as of March 31 of this year, was 512,451,000 bushels. The reports also show that on January 31, 1961, the Commodity Credit Corporation had 311 million hundredweight on hand; on January 31, 1962, that amount had increased to 328 million hundredweight; on January 31, 1963, the inventory was 543 million bushels. On March 31, 1963, it was 512 million bushels.

On January 31, 1963, we still had an investment of over \$575 million in grain sorghum that was stored in Government warehouses.

A great deal of the hullabaloo which has been raised and a great many of the boasts which have been made about reducing the inventories of Government storage have been based on a little fancy New Frontier bookkeeping.

I cite one example: On January 31, 1961, when this administration took over, we had 1,115,482,882 bushels of wheat in Government warehouses.

That was carried on the books of the Commodity Credit Corporation as of that date at a valuation of \$2,903 million. On January 31, 1963, a comparable date, 1,035,801,000 bushels of wheat were on

hand, representing a reduction in inventories, of wheat of only about 80 million bushels, but the cost value was reduced to \$2,016 million. The cost value on wheat in Government storage was reduced by around \$900 million on a reduction of only 80 million bushels. They readjusted the value as carried on the books, and by so doing they said, "Look how we have reduced our inventories."

The actual bushel inventories were reduced but very little. There was a reduction of about 80 million bushels of wheat, but the value was decreased by \$900 million. They are not presenting an accurate picture to the public.

This program has not been the success which they claim it to be.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks the statistics taken from the Commodity Credit Corporation reports as of January 31, 1961, January 31, 1962, January 31, 1963, and also March 31, 1963, showing the inventories of corn, wheat, cotton, and grain sorghum, along with the cost valuation for those inventories as carried on the books of the Commodity Credit Corporation.

There being no objection, the statistics were ordered to be printed in the RECORD, as follows:

INVENTORIES AND COST VALUES AS REPORTED BY THE COMMODITY CREDIT CORPORATION

CORN

January 31, 1961: 1,465,241,760 bushels; cost value, \$2,438,901,523.84.

January 31, 1962: 1,307,084,249 bushels; cost value, \$1,624,943,239.33.

January 31, 1963: 987,136,997 bushels; cost value, \$1,148,076,130.64.

March 31, 1963: 748,116,255 bushels; cost value, \$881,490,536.29.

WHEAT

January 31, 1961: 1,115,482,882 bushels; cost value, \$2,903,333,722.48.

January 31, 1962: 1,108,896,598 bushels; cost value, \$2,191,089,211.97.

January 31, 1963: 1,035,801,588 bushels; cost value, \$2,016,161,189.01.

March 31, 1963: 1,010,410,225 bushels; cost value, \$1,966,480,807.03.

COTTON

January 31, 1961: 4,817,871 bales; cost value, \$806,043,594.06.

January 31, 1962: 1,448,673 bales; cost value, \$245,281,182.69.

January 31, 1963: 4,684,629 bales; cost value, \$809,815,725.56.

March 31, 1963: 4,684,086 bales; cost value, \$809,720,414.11.

GRAIN SORGHUM

January 31, 1961: 311,168,443 hundredweight; cost value \$863,489,732.11.

January 31, 1962: 328,710,351 hundredweight; cost value \$624,621,329.36.

January 31, 1963: 543,172,505 bushels; cost value, \$575,561,311.97.

March 31, 1963: 512,451,202 bushels; cost value, \$540,680,599.27.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. GOLDWATER. I do not have the floor. I thank my friend from Louisiana for his explanation. I merely comment that there is confusion in the RECORD. I must lean toward the figures of the Department of Agriculture. If they are correct—and we must presume them to be—I cannot agree that the program has been successful.

Mr. ELLENDER. Mr. President, I should like to point out to my good friend from Arizona that it depends on the month of the year that is used. The table to which the Senator from Delaware referred related to January of last year and of March of this year. There was a decrease of 197,556,685 bushels of feed grains from March of 1962 to March of 1963. The table that I have introduced in the RECORD is as of October 1, which marks the end of the crop year for the commodities. Each crop has a different year. If we are considering corn and other feed grains, I believe the month I have indicated, that is, October 1, ought to be taken because at this time the new crop begins to come, and the figures I have indicated are shown as of that date.

Mr. President, I yield back the remainder of my time.

Mr. MANSFIELD subsequently said: Mr. President, although the Senate is operating under limited time I ask unanimous consent to correct an oversight on my part, and ask that the distinguished Senator from Iowa [Mr. MILLER] may be recognized to make a unanimous-consent request at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MILLER. Mr. President, I thank the Senator from Montana, the distinguished majority leader.

Mr. President, I ask unanimous consent that the figures relating to December 31, 1960, and December 31, 1962, appearing in the table on page 8,220 of yesterday's CONGRESSIONAL RECORD relating to the soybean inventory be printed in the RECORD at the conclusion of the remarks by the Senator from Arizona [Mr. GOLDWATER] during the colloquy on the previous amendment, along with my comment that I believe these inventories should also be taken into account, along with the other figures discussed, in order to get a complete picture of the inventory record of crops as a result of the feed grain laws which have been on the books for the past 3 years.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Soybeans in inventory of CCC

| | |
|-------------------------|--------------|
| Dec. 31, 1960: | |
| Quantity (bushels)..... | 4,492,485 |
| Value..... | \$10,600,637 |
| Dec. 31, 1962: | |
| Quantity (bushels)..... | 36,710,649 |
| Value..... | \$87,433,158 |

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa [Mr. HICKENLOOPER]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Utah [Mr. MOSS], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I further announce that, if present and voting, the Senator from Georgia [Mr. RUSSELL] would vote "nay."

On this vote, the Senator from Utah [Mr. MOSS] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Utah would vote "nay" and the Senator from Colorado would vote "yea."

On this vote, the Senator from Nevada [Mr. CANNON] is paired with the Senator from Vermont [Mr. PROUTY]. If present and voting, the Senator from Nevada would vote "nay" and the Senator from Vermont would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from New Jersey [Mr. CASE], and the Senator from Vermont [Mr. PROUTY] are necessarily absent.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Utah [Mr. MOSS]. If present and voting, the Senator from Colorado would vote "yea" and the Senator from Utah would vote "nay."

On this vote, the Senator from Vermont [Mr. PROUTY] is paired with the Senator from Nevada [Mr. CANNON]. If present and voting, the Senator from Vermont would vote "yea" and the Senator from Nevada would vote "nay."

The result was announced—36 yeas, 57 nays, as follows:

[No. 82 Leg.]

YEAS—36

| | | |
|-----------|---------------|----------------|
| Aiken | Douglas | Miller |
| Beall | Fong | Morton |
| Bennett | Goldwater | Pearson |
| Boggs | Hickenlooper | Ribicoff |
| Byrd, Va. | Holland | Robertson |
| Carlson | Hruska | Saltonstall |
| Cooper | Javits | Scott |
| Cotton | Jordan, Idaho | Simpson |
| Curtis | Keating | Smith |
| Dirksen | Kuchel | Thurmond |
| Dodd | Lausche | Tower |
| Domnick | Mechem | Williams, Del. |

NAYS—57

| | | |
|--------------|--------------|----------------|
| Anderson | Hill | Monroney |
| Bartlett | Humphrey | Morse |
| Bayh | Inouye | Mundt |
| Bible | Jackson | Muskie |
| Brewster | Johnston | Nelson |
| Burdick | Jordan, N.C. | Neuberger |
| Byrd, W. Va. | Kefauver | Pastore |
| Church | Kennedy | Pell |
| Clark | Long, Mo. | Proxmire |
| Eastland | Long, La. | Randolph |
| Edmondson | Magnuson | Smathers |
| Ellender | Mansfield | Sparkman |
| Engle | McCarthy | Stennis |
| Ervin | McClellan | Symington |
| Gore | McGee | Talmadge |
| Gruening | McGovern | Williams, N.J. |
| Hart | McIntyre | Yarborough |
| Hartke | McNamara | Young, N. Dak. |
| Hayden | Metcalfe | Young, Ohio |

NOT VOTING—7

| | | |
|--------|-----------|---------|
| Allott | Fulbright | Russell |
| Cannon | Moss | |
| Case | Prouty | |

So Mr. HICKENLOOPER's amendment was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. HICKENLOOPER. Mr. President, may I have the attention of the majority leader and of the chairman of the committee?

Upon request, I ask unanimous consent that the Senator from Delaware [Mr. WILLIAMS] may be joined as a cosponsor of the amendment which has just been voted upon, because of his prior interest in this matter and his desire to be listed as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HICKENLOOPER. Mr. President, I call up my amendment No. 79 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 6, beginning with line 25, it is proposed to strike out all down through the period in line 2, page 7, and to insert in lieu thereof the following: "and 1965 crops shall be the five-year period 1956-1960."

On page 7, line 22, it is proposed to strike out "1959 and 1960" and to insert in lieu thereof the following: "1956 through 1960".

On page 10, line 3, it is proposed to strike out "1959 and 1960" and to insert in lieu thereof "1956 through 1960".

Mr. HICKENLOOPER. Mr. President, I ask for the yeas and nays on this amendment.

The yeas and nays were ordered.

Mr. HICKENLOOPER. Mr. President, the amendment which has been called up and which is before the Senate is an amendment on a subject matter which has been discussed considerably, but which was refused consideration, as a practical matter, in connection with this bill.

Actually, it is an amendment which proposes to protect the farmer who has engaged in good land management practices, in good conservation programs, over the years, for the preservation of his soil, and who has not increased his crop supported acreage in order to enlarge his acreage for further programs.

The farmer who over a period of time has engaged in rotation practices, in pest development, and in many other kinds of soil conservation methods for the preservation of his farm, so often finds himself penalized when it comes to the allocation of allotments for price supported commodities.

It seems to me that the 1961, 1962, and 1963 feed grain programs actually rewarded farmers who overplanted their feed grain acreages during 1959 and 1960, to the detriment of those farmers who, through conservation and other means, planted less than they would have planted in the years 1959 and 1960, had they been able to anticipate what was going to happen.

The present bill, and specifically the language on page 6 of the bill, enlarges the base period to 4 years, but it does so by including the years 1961 and 1962 with respect to the 1964 crop year, and in-

cludes the years 1962 and 1963 for the 1965 crop year.

The trouble is that the sliding scale will lead farmers who believe that their future acreage allotments will be based on whatever feed grain acreage and production they can achieve during those years to a further incentive for overplanting and overproduction, and will contribute to the surplus.

The amendment which I propose, I believe, goes a substantial way toward the correction of this unrealistic base period, because it provides a stable base period of 5 years, the years 1956 through 1960.

One of the difficulties with providing a base year so recently before the crop of 1964 is that many farms were on reduced acreage during the contemplated base year, and they are at a disadvantage as compared with farmers who had established a larger base acreage year before and took advantage of it.

A great many farmers have suffered severe cuts in their acreage simply because they had in past years, and during the base period theretofore, been engaged in rotation procedures and good land management practices. They were actually penalized, whereas others who had during the base period theretofore planted their farms to death, planted them all in corn, for example, had acquired a tremendous base through practices which many farmers would consider not to be good land management practices.

Many farmers feel very keenly that this procedure puts a conservation-minded farmer at a distinct disadvantage.

All this amendment does is apply what I believe to be a realistic base period, which is not affected by a base period which includes only the years in which the reduction program in the so-called emergency feed program applied. The proposal applies to the base period of the years 1956 through 1960. It provides a long enough period of time so that rotation can have an effect on the average production of those farmers during that period of time, which one could call a normal period of time, rather than a controlled period of time. Whether one calls the control voluntary or otherwise, the fact is that it was a controlled period of time.

The good farming habits of many farmers are adversely affected by this unusual and unrealistic period which is attempted to be applied as the base measurement period for the determination of acreage for this program during 1964.

As I said a moment ago in connection with a previous amendment which was voted down, this is another illustration of a serious portion of this feed grain program which should have been given careful consideration by the Agriculture Committee. It was not. The committee followed the pattern, by a majority vote, which was followed a short time ago—no amendments, regardless of their merits.

It is still not too late to correct this situation. The bill before us does not apply until 1964. It does not apply to

this year's crop. But it is a bill that will vitally affect the feed grain areas in 1964, and perhaps in 1965; and the bill should be corrected.

I said yesterday on the floor that in over 18 years service on the Agriculture Committee this is the first time I ever saw a major agriculture bill come from the House that was not set down for preparation and hearings by the Senate, hearings to be held either by a subcommittee or otherwise, at which the terms of the legislation could be considered carefully. I have never before seen a major agricultural bill come over to the Senate from the House that was not amended in several substantial details to correct manifest shortcomings with respect to various sections and areas.

Not so this bill. Not so this time. That is not the case. What we are trying to do is to point out some shortcomings in the bill which we hope the Senate will correct before it is too late. This is one of them.

Conservation programs are in effect on which we are spending hundreds of millions of dollars in this country every year. We advocate to the farmers a program of conserving the soil, of planting their crops by using good land practices, of terracing and contouring, of fertilizing, and pasture control. We spend hundreds of millions of dollars urging farmers to do all this. Then the proponents come to the Senate with a feed grain bill which penalizes the farmer who follows these practices, even though we are spending all this money in our local conservation districts and State conservation districts and even in our national program.

What we suggest is a realistic base on which to measure the basis for supported products. It is realistic. Although it may in certain isolated instances have an adverse effect on a few farmers, nevertheless it extends back far enough to provide enough turnover during the 5-year period, so that it will average out in the main. In that way the good farmer will not be penalized, and the growing of price-supported crops will not be restricted unduly, if the bill is passed.

The so-called sliding scale, in which we move up 2 years or 3 years, or whatever the period is which is the base period upon which the next year's allocation is based, has one manifest weakness, and that is that every year the farmer who has to look to his economics—and they are becoming worse and worse instead of better and better—and to his right to plant the acres that he can put in various crops each year, will plant to the very limit, because each year the yardstick period, that base period, moves up behind him. In 1963, it was 1962 and 1961, and so on. In 1964, it will be 1963 and 1962, and so on.

If he does not plant up to his limit each year, his base slips down. Therefore his average goes down, and next year he is reduced in acreage by that much, because his average in the base period has gone down.

This presents a very serious complication. It is one of the things that our committee should have studied.

I do not say that the base period of 1956 through 1960 is necessarily the best period. It is infinitely better as a base period than the one that is proposed to be used in the bill. It is a constructive base period. It is realistic. I believe the committee should have studied it. It should have taken some thorough statistical evidence on it, and corrected the bill.

Instead, we had to take the bill in committee exactly as it came to us from the House. No amendments were permitted to be added. No amendments were voted on.

This is another one of the amendments in terms and conditions of the bill that should have been looked into and corrected. I hope we are not beginning to follow a philosophy of rewarding the inefficient and penalizing the efficient. The amendment would give the efficient farmer an opportunity for an equal "shake" with respect to the base period. It would permit the farmer who has engaged in good land practices, who has engaged in conservation practices, an equal chance at acreage allotments and acreage participation under this program.

Under the terms of the bill as now written, the farmer who gained his advantage by overplanting, and got a far bigger base than the farmer who used conservation practices and got a good deal lower base period, would have an advantage. The farmer who overplanted and, in many cases, gained an unfair basis, will retain it, and the good farmer will still be penalized. The man who overplanted, of course, may be a good farmer so far as crops are concerned. However, I am speaking of a good farmer, as a farmer who uses good land and soil conservation practices in agriculture. Our amendment is simply an attempt to equalize opportunities between these two farmers.

The base period of 1956 through 1960 would be a good base period. It would not hurt anyone from the standpoint of equity. It would give the farmer who had been conscientious in following good practices of conservation, soil and otherwise, a reasonably fair and equitable opportunity to get at least as good treatment in the allocation of his acreage and participation in the program as the man who had built up an extraordinarily big base acreage because of overplanting in years gone by.

Mr. President, I am under no particular delusion about how the vote will go on the amendment; neither am I under any particular delusion about the merits of the amendment. The amendment has great merit. Again I say it is the responsibility of the Senate to make corrections where corrections are needed, and to give consideration where consideration is needed. I do not believe it is good practice to ruthlessly vote down necessary, proper, good, and corrective amendments to proposed legislation in order to pass the bill under consideration by a certain date, so that it can be used as a lever to lobby on a vote that the administration favors.

I reserve the remainder of my time.

Mr. ELLENDER. Mr. President, all I can say to my good friend from Iowa is that he had an opportunity to make the changes he proposes when the program first went into effect. The program has been on the statute books since 1961. It has been there for 1962 and 1963, and now we are beginning on an extension of the program for 1964 and 1965. Yet at this late date he states that this or that ought to be done.

When 1959 and 1960 were selected there was no acreage reserve program. At that time farmers were permitted to plant whatever they desired.

I believe that a realistic approach was made in 1961 when the selection was made. The 1959 and 1960 figures pertain to an established acreage base. I see no importance in extending the base back 4 or 5 years, or even 3 years, as the Senator desires to do. Think of the time that would be required to go back to each farmer in the Nation who produces corn and other feed grains, to determine what his base acres were in 1956, 1957, and up through the period to which the Senator from Iowa refers. That would require an exceedingly large amount of time and be very costly.

What we have sought to do is to take a base period in which, as I repeat, there were no diversion programs, when farmers could plant all they desired. In regard to production, I think it is natural for us to take the most recent years. That is exactly what the committee did when the bill was first enacted. It is a realistic approach.

Furthermore, this program is only for 2 years. I do not see anything in the Senator's amendment that would add to the conservation features to which he refers. There is nothing specific about that in the amendment. He would merely take this period of time for historical purposes and would add to that the production. To take the years 1959, 1960, 1961, 1962, and 1963, is, I think, a better way to proceed for 1964 and 1965.

Mr. HICKENLOOPER. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. HICKENLOOPER. I know the Senator wishes to be practical. I merely suggest that his recollection is slightly faulty when he says that I am a Johnny-come-lately with this proposal. In 1961, when the bill was before the Senate, I pointed out the inequities that would result to the farmer who had been conservation-minded before, as against the farmer who had not been conservation-minded. I raised that point two or three times. This year I did not formally present an amendment as such to the committee; there was no use. I had no desire to delay the reporting of the bill, but the question was discussed in committee. I mentioned it.

Mr. ELLENDER. Yes.

Mr. HICKENLOOPER. My proposal did not receive sympathetic consideration. I am bringing it up on the floor. However, I am not a Johnny-come-lately on this subject, because it has been under discussion for some time.

Mr. ELLENDER. I do not recall that the Senator from Iowa ever made an attempt to place such an amendment on the 1961 bill or on the renewal of the 1961 act in 1962, or when the act was renewed for 1963. I think the record will bear me out, both in committee and before the Senate, that no effort was made by the Senator to do what he now seeks to do. I see no necessity for making a change at this late date.

Mr. HICKENLOOPER. If there is no necessity for making a change at this late date, why change the base period in the bill? There seemed to be a necessity, in the mind of the committee, to change the base period at this late date. So the committee has already changed the base period at this late date.

Mr. ELLENDER. But that is only to have a more realistic base for the production.

Mr. HICKENLOOPER. Indeed; and that is exactly what I am trying to do—to provide a more realistic base in which to allocate acres equitably to farmers who over the past years have been penalized, in effect, because of the good land practices which they followed.

Let me suggest this: We are being asked to adopt a 2-year extension. In 1961, the extension was only for 1 year. It was an emergency 1-year bill. It was a foot in the door then, apparently; and that foot is growing bigger and the door is opening wider, and Commodity Credit Corporation stocks do not seem to be going down.

The Senator who chuckles should look at the record and examine the March 31 report of the Commodity Credit Corporation. According to the Government's own figures, the stocks of any number of commodities have risen since last year. I suggest that the Senator look at those figures and then laugh. It is very amusing, depending on the way one looks at the situation. But that is what has happened.

I am aware of the roadblocks that have been thrown up. The orders are to vote for no amendments and no changes. But I would hope that this body would meet its responsibilities; and that where changes are indicated and amendments are meritorious, we would give them serious consideration, and adopt them for inclusion in the proposed legislation, which I say again is not an emergency measure, because it will not become effective until the 1964 crop years.

The only purpose of this mad rush toward the passage of the bill is a politically motivated purpose connected with manipulating the vote by wheat farmers next Tuesday. An attempt will be made to amalgamate some of the provisions in the pending bill and in the wheat act in an effort to bamboozle farmers into believing that they are getting something which they will not be getting.

Mr. MILLER. Mr. President, will my colleague yield?

Mr. HICKENLOOPER. I yield.

Mr. MILLER. I should like to ask my colleague about the way in which the program is working with respect to farmers who did not have a very high

base for the base years presently being used. How would his amendment help farmers who have practiced recommended soil conservation methods to be in a somewhat more equitable position?

Mr. HICKENLOOPER. Very simply stated, it would help a farmer who just before the base period, or during the base period, was engaged in a conservation rotation practice, in which he had determined that for that year or the next year it was for the advantage of his soil or his farm to take acreage out of corn and put it into other pasture crops or other nitrogen producing crops, so as to restore his soil, as good practice, but who took a cut because he was in a base period and had voluntarily reduced his corn production, but was caught with a low base on support crops. On the other hand, the farmer who had kept "cornering" his land to death—as some farmers did; there were instances of farmers who had 160 acres, with 155 acres in corn—during the base period, because he was not limited, came in with a large historic base.

When farmers began to cut down their acreage under the voluntary programs, he came in and received permission to join the program with a fantastically large base as compared with the farmer who had more acreage but who had voluntarily reduced the corn production in the base period because of his soil conservation program.

Now the farmer who wants to go back and rotate and cut back some of the overproduction which, because of good practices, he indulged in, is penalized.

I go back to the 1956-60 base period, which would take in the 5 years of normal average operating experience of the farmer without restrictive provisions of legislation of this kind, so that he would get the average of his normal operations. I think that would be equitable and fair.

Mr. MILLER. I, too, think it is equitable and fair. Does it not seem that because of the inequity in the present base provision, those farmers who might otherwise want to come into the program would be deterred from doing so because of the penalty under which they would operate? The proponents of the bill really want to encourage all farmers to come into the program. The Senator's amendment ought to be adopted, because failure to adopt it will mean that the deterrents to those farmers who had a low base as a result of limitations under the present law will not want to come in and will take their chance of not coming into the program.

Mr. HICKENLOOPER. Farmers have told me that because their allotment had been cut in this kind of situation in the past, their base was so small that it would not pay them to come into the program; therefore, they would stay out of it. How extensive that feeling is, I do not know. I do not know that there are many farmers who have that feeling about the situation. Others, who had a small base, will go into the program anyway. That problem is involved.

Mr. ELLENDER. Mr. President, I have nothing further to say in regard to

this amendment; and I yield back the remainder of the time available to me.

Mr. HICKENLOOPER. Mr. President, I yield back the remainder of the time available to me.

The PRESIDING OFFICER. All remaining time has been yielded back.

The question is on agreeing to the amendment of the Senator from Iowa, numbered 79. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alabama [Mr. HILL], the Senator from Utah [Mr. MOSS], the Senator from Virginia [Mr. ROBERTSON], the Senator from Georgia [Mr. RUSSELL], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Arizona [Mr. HAYDEN] are absent on official business.

On this vote, the Senator from Nevada [Mr. CANNON] is paired with the Senator from Vermont [Mr. PROUTY]. If present and voting, the Senator from Nevada would vote "nay" and the Senator from Vermont would vote "yea."

On this vote, the Senator from Utah [Mr. MOSS] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Utah would vote "nay" and the Senator from Colorado would vote "yea."

I further announce that, if present and voting, the Senator from Alabama [Mr. HILL], the Senator from Georgia [Mr. RUSSELL], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Arizona [Mr. HAYDEN] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from New Jersey [Mr. CASE] and the Senator from Vermont [Mr. PROUTY] are necessarily absent.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Utah [Mr. MOSS]. If present and voting, the Senator from Colorado would vote "yea" and the Senator from Utah would vote "nay."

On this vote, the Senator from Vermont [Mr. PROUTY] is paired with the Senator from Nevada [Mr. CANNON]. If present and voting, the Senator from Vermont would vote "yea" and the Senator from Nevada would vote "nay."

The result was announced—yeas 31, nays 58, as follows:

[No. 83 Leg.]

YEAS—31

| | | |
|-----------|---------------|----------------|
| Alken | Eastland | Miller |
| Beall | Fong | Morton |
| Bennett | Goldwater | Pearson |
| Boggs | Hickenlooper | Saltonstall |
| Byrd, Va. | Hruska | Scott |
| Carlson | Javits | Simpson |
| Cooper | Jordan, Idaho | Smith |
| Cotton | Keating | Tower |
| Curtis | Kuchel | Williams, Del. |
| Dirksen | Lausche | |
| Dominick | Mechem | |

NAYS—58

| | | |
|--------------|-----------|----------|
| Anderson | Church | Ervin |
| Bartlett | Clark | Gore |
| Bayh | Dodd | Gruening |
| Bible | Douglas | Hart |
| Brewster | Edmondson | Hartke |
| Burdick | Ellender | Holland |
| Byrd, W. Va. | Engle | Humphrey |

Inouye
Jackson
Johnston
Jordan, N.C.
Kefauver
Kennedy
Long, La.
Long, Mo.
Magnuson
Mansfield
McCarthy
McClellan
McGee

McGovern
McIntyre
McNamara
Metcafe
Monroney
Morse
Mundt
Muskie
Nelson
Neuberger
Pastore
Pell
Proxmire

Randolph
Ribicoff
Ribicoff
Smathers
Stennis
Symington
Talmadge
Thurmond
Williams, N.J.
Yarborough
Young, N. Dak.
Young, Ohio

NOT VOTING—11

Allott
Cannon
Case
Fulbright

Hayden
Hill
Moss
Prouty

Robertson
Russell
Sparkman

So Mr. HICKENLOOPER's amendment No. 79 was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. HICKENLOOPER. Mr. President, I call up my amendment No. 80 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 1, line 10, beginning with "such level" it is proposed to strike out all down through "crop." on page 2, line 3, and to insert in lieu thereof the following: "90 per centum of the average price received by farmers during the three calendar years immediately preceding the calendar year in which the marketing year for such crop begins, adjusted to offset the effect

on such price of any abnormal quantities of low-grade corn marketed during any such year: *Provided*, That the level of price support for any crop of corn shall not be less than 65 per centum of the parity price therefor."

Mr. HICKENLOOPER. Mr. President, for convenience, so that it may appear in the RECORD, at this time I ask unanimous consent to have printed in the RECORD a copy of a letter I received last year from the Legislative Reference Service of the Library of Congress, signed by Mr. William F. Woods, in response to a request which I made April 27, 1962, for information concerning agricultural production on land owned or controlled by the U.S. Government. I should like to have the entire reply printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE LIBRARY OF CONGRESS,
Washington, D.C., May 10, 1962.

To: Hon. BOURKE B. HICKENLOOPER.

Attention: Mr. Pavlik.

From: Natural Resources Division.

Subject: Public lands in agricultural production.

Response is made to your request of April 27, 1962, for information concerning agricultural production on land owned or controlled by the U.S. Government. The answers to the various parts of your inquiry are as follows:

1. The number of acres of federally owned or controlled land, as of June 30, 1961, in the 48 conterminous States:

| | Acres |
|----------------------------------|----------------|
| Owned..... | 406,334,094.6 |
| Held in trust ¹ | 52,157,852.99 |
| Total..... | 458,491,947.59 |

¹ Federal Government exercises trust responsibilities over Indian lands.

2. Acres of Government-owned land used in the production of crops or livestock:

[In acres]

| Department | Date | Agricultural leases | Grazing leases | Used by agency |
|--|---------------|---------------------|----------------|----------------|
| Defense..... | June 30, 1961 | 955,713 | 2,193,756 | ----- |
| Interior: | | | | |
| Tennessee Valley Authority..... | do | 30,466 | | ----- |
| Bureau of Reclamation ¹ | June 30, 1960 | 48,874 | 502,489 | ----- |
| Bureau of Land Management..... | do | | 18,532,468 | ----- |
| U.S. Department of Agriculture..... | June 30, 1961 | ----- | ----- | 22,978 |

¹ Includes Alaska.

3. Leasing or licensing policies of Government agencies regarding usage of Federal lands for the production of crops in surplus.

It is the policy of the Corps of Engineers to lease acquired land back to the former owner. The former owner may lease on a year-to-year basis until a land-use plan is established and is permitted to raise the same crops as he did prior to Government acquisition. Once the land-use plan is established, the prior owner is eligible for one 5-year lease; thereafter the land is advertised, then leased to the highest responsible bidder, its usage being consistent with the land-use plan.

During the period which the prior owner is the lessee, he is not restricted in the production of surplus crops other than the provision that he must have grown them prior to Government acquisition. After the lands are advertised for lease, a restriction on the production of crops in surplus is embodied in the lease.

For the entire Department of Defense a somewhat similar policy is followed. Of the departmental total of 955,713 acres leased for agricultural purposes, production of crops in surplus is prohibited on 648,063 acres; for the remainder, production of crops in surplus is not prohibited due to prior commitments which enable users to continue production of prior crops.

TVA lands suitable for agriculture are licensed under competitive bidding, for periods of 1 to 5 years. Their licenses include a provision prohibiting production of crops in surplus.

Reportedly the Bureau of Reclamation has a policy somewhat similar to that of the Corps of Engineers. In that production of crops in surplus is allowed during a "resettlement stage" by prior owners. Representatives of this agency state that the standard lease form employed by them does not contain a standard phrase prohibiting produc-

tion of crops in surplus, but that a phrase is inserted "wherever pertinent."

WILLIAM F. WOODS.

Mr. HICKENLOOPER. Mr. President, this particular amendment is one the Senate has considered before in connection with agricultural legislation. It was in the 1958 program. It began to work for agriculture and agricultural products, and it began to have a noticeable effect on surpluses and production, but of course it happened to be something which was put in by a Republican administration, so this administration threw it out in 1961, regardless of its merits.

This is a renewal of the price support formula on feed grains, to provide 90 percent of the average price received by farmers during the 3 calendar years immediately preceding the calendar year in which the marketing year for such crop begins, and to be adjusted to offset the effect on such price of any abnormal quantities of low-grade corn marketed during any such year; and with the further proviso that the level of price support for any crop of corn shall not be less than 65 percent of the parity price therefor.

Manifestly this was designed to be a self-policing measure; and it had some effect as such. The program under which it was adopted was based fundamentally on retaining the freedom of the farmer, retaining his responsibility and permitting him in the long run to take care of his own problem of surpluses, with the idea that under a proper climate the farmer would contribute to the reduction of surpluses, and to the establishment and maintenance of a program which would generally tend to bring supply and demand more into balance.

The amendment has a safeguarding provision in it that the level of price support for corn in any event—and this was the standard provision in the previous law—shall not be less than 65 percent of the parity price for corn. This would be a safeguard against some disastrous and unforeseen operation.

This would permit the Secretary of Agriculture to set the price support level for corn, as I said a moment ago, between 65 and 90 percent of parity, provided a diversion program for feed grains were in effect for the 1964 and 1965 corn crop. This would indeed create a floor of 65 percent of parity on corn and it would put a practical limitation on the Secretary, to prevent him from dropping the price support to a point at which he could virtually arbitrarily control the market at will.

We have considered this subject a great many times. I know that many Senators are interested in this amendment. There is a small attendance of Senators at the moment, which is perhaps understandable.

At this time I should like to use a few minutes of my time to suggest the absence of a quorum. I expect to ask to have further proceedings under the quorum call dispensed with after a few minutes. I say that in advance.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HICKENLOOPER. Mr. President, I ask unanimous consent that further proceedings under the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HICKENLOOPER. Mr. President, I reserve the remainder of my time.

Mr. ELLENDER. Mr. President, the purpose of the amendment, as I understand, is to revert to the type of supports that existed under the 1958 law. However, the distinguished Senator from Iowa does not change the program except with respect to price supports. Under the present program, the price supports range from 65 to 90 percent. If the amendment of the distinguished Senator from Iowa were adopted, the price supports would go to 90 percent of the last 3 years' average or 65 percent of parity, whichever was higher. That would mean about \$1.05 corn. In the bill it is the intention of the Secretary of Agriculture to fix price supports at from \$1.20 to \$1.25 a bushel and to pay part of the support price, from 10 to 15 cents a bushel, in kind. If we should change the formula, as suggested by my friend from Iowa, it would mean that the Secretary of Agriculture could fix the price of corn at no higher than about \$1.05 a bushel. If he exercised his privilege of paying 10 or 15 or 18 cents a bushel on that price, it would mean that the price of corn to noncooperators would be about at 88 cents a bushel. In my opinion, it would have a bad effect on the market, and the livestock producer would suffer a great deal.

Further, it would make the program very unattractive, and the Secretary of Agriculture would have great difficulty in obtaining enough cooperators to keep the production in line with what he desires to do; namely, reduce the surpluses.

Again I point out that this would mean, if the amendment were adopted and if the bill were to otherwise remain as it is, cheaper corn than would prevail if the bill were adopted as now written.

It is my understanding that quite a number of cattlemen are complaining that the price for livestock is going down because of cheap feed grain. In my opinion the amendment would make the price of feed much lower to noncooperators than would the pending measure. I judge that it would seriously affect the price of livestock. I hope the Senate will not adopt the amendment.

Mr. HICKENLOOPER. I am ready to yield back the remainder of my time, if the Senator from Louisiana is ready to do likewise.

Mr. ELLENDER. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment offered by the Senator from Iowa [Mr. HICKENLOOPER]. [Putting the question]—

Mr. HUMPHREY. Mr. President—

Mr. WILLIAMS of Delaware. Mr. President, the vote cannot be interrupted. The Senate is in process of voting. Mr. HUMPHREY. Mr. President, I ask for a division.

The PRESIDING OFFICER. A division is requested.

Mr. ELLENDER. I suggest the absence of a quorum.

Mr. WILLIAMS of Delaware. A quorum call is not in order.

Mr. AIKEN. I decline to vote. The suggestion of the absence of a quorum is out of order.

The PRESIDING OFFICER. Until a vote is announced, a Senator has a right to call for a quorum.

Mr. WILLIAMS of Delaware. Does the Senator have a right to call for a quorum when all time has been yielded back?

The PRESIDING OFFICER. Yes; that is correct. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. WILLIAMS of Delaware. I object.

The PRESIDING OFFICER. Objection is heard.

The legislative clerk resumed and concluded the call of the roll, and the following Senators answered to their names:

[No. 84 Leg.]

| | | |
|--------------|---------------|----------------|
| Aiken | Hart | Miller |
| Anderson | Hartke | Monroney |
| Bartlett | Hayden | Morse |
| Bayh | Hickenlooper | Morton |
| Beall | Hill | Mundt |
| Bennett | Holland | Muskie |
| Bible | Hruska | Nelson |
| Boggs | Humphrey | Neuberger |
| Brewster | Inouye | Pastore |
| Burdick | Jackson | Pearson |
| Byrd, Va. | Javits | Pell |
| Byrd, W. Va. | Johnston | Proxmire |
| Carlson | Jordan, Idaho | Randolph |
| Church | Jordan, N.C. | Ribicoff |
| Clark | Keating | Robertson |
| Cooper | Kefauver | Saltonstall |
| Cotton | Kennedy | Scott |
| Curtis | Kuchel | Simpson |
| Dirksen | Lausche | Smathers |
| Dodd | Long, La. | Smith |
| Dominick | Long, Mo. | Sparkman |
| Douglas | Magnuson | Stennis |
| Eastland | Mansfield | Symington |
| Edmondson | McCarthy | Talmadge |
| Ellender | McClellan | Thurmond |
| Engle | McGee | Tower |
| Ervin | McGovern | Williams, N.J. |
| Fong | McIntyre | Williams, Del. |
| Goldwater | McNamara | Yarborough |
| Gore | Mechem | Young, N. Dak. |
| Gruening | Metcalf | Young, Ohio |

The PRESIDING OFFICER. A quorum is present.

Mr. HUMPHREY. Mr. President, on this amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa [Mr. HICKENLOOPER]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Arizona [Mr. HAYDEN], the Senator from Utah [Mr.

Moss], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I further announce that, if present and voting, the Senator from Arizona [Mr. HAYDEN] and the Senator from Georgia [Mr. RUSSELL] would each vote "nay."

On this vote, the Senator from Nevada [Mr. CANNON] is paired with the Senator from Vermont [Mr. PROUTY]. If present and voting, the Senator from Nevada would vote "nay," and the Senator from Vermont would vote "yea."

On this vote, the Senator from Utah [Mr. Moss] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Utah would vote "nay," and the Senator from Colorado would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from New Jersey [Mr. CASE], and the Senator from Vermont [Mr. PROUTY] are necessarily absent.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Utah [Mr. Moss]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Utah would vote "nay."

On this vote, the Senator from Vermont [Mr. PROUTY] is paired with the Senator from Nevada [Mr. CANNON]. If present and voting, the Senator from Vermont would vote "yea," and the Senator from Nevada would vote "nay."

The result was announced—yeas 35, nays 57, as follows:

[No. 85 Leg.]

YEAS—35

| | | |
|-----------|---------------|----------------|
| Aiken | Goldwater | Mundt |
| Beall | Hickenlooper | Pearson |
| Bennett | Holland | Robertson |
| Boggs | Hruska | Saltonstall |
| Byrd, Va. | Javits | Scott |
| Carlson | Jordan, Idaho | Simpson |
| Cotton | Keating | Stennis |
| Curtis | Kuchel | Thurmond |
| Dirksen | Lausche | Tower |
| Dominick | Mechem | Williams, Del. |
| Eastland | Miller | Young, N. Dak. |
| Fong | Morton | |

NAYS—57

| | | |
|--------------|--------------|----------------|
| Anderson | Hartke | Metcalf |
| Bartlett | Hill | Monroney |
| Bayh | Humphrey | Morse |
| Bible | Inouye | Muskie |
| Brewster | Jackson | Nelson |
| Burdick | Johnston | Neuberger |
| Byrd, W. Va. | Jordan, N.C. | Pastore |
| Church | Kefauver | Pell |
| Clark | Kennedy | Proxmire |
| Cooper | Long, La. | Randolph |
| Dodd | Long, Mo. | Ribicoff |
| Douglas | Magnuson | Smathers |
| Edmondson | Mansfield | Smith |
| Ellender | McCarthy | Sparkman |
| Engle | McClellan | Symington |
| Ervin | McGee | Talmadge |
| Gore | McGovern | Williams, N.J. |
| Gruening | McIntyre | Yarborough |
| Hart | McNamara | Young, Ohio |

NOT VOTING—8

| | | |
|--------|-----------|---------|
| Allott | Fulbright | Prouty |
| Cannon | Hayden | Russell |
| Case | Moss | |

So Mr. HICKENLOOPER's amendment No. 80 was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER (Mr. KENNEDY in the chair). The question is

on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (S. 20) to promote the coordination and development of effective Federal and State programs relating to outdoor recreation, and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 2053) to provide for the temporary suspension of the duty on corkboard insulation and on cork stoppers.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H.R. 4655) to amend title IX of the Social Security Act with respect to the amount authorized to be made available to the States out of the employment security administration account for certain administrative expenses, to reduce the rate of the Federal unemployment tax for the calendar year 1963, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the bill (H.R. 5517) making supplemental appropriations for the fiscal year ending June 30, 1963, and for other purposes, and it was signed by the Vice President.

FEDERAL AND STATE PROGRAMS
RELATING TO OUTDOOR RECREATION—CONFERENCE REPORT

Mr. ANDERSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 20) to promote the coordination and development of Federal and State programs relating to outdoor recreation, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of May 15, 1963, pp. 8102-8103, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. ANDERSON. Mr. President, the conference report was agreed to by a unanimous vote. I move that it be adopted.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. DIRKSEN. Did I correctly understand that the report was unanimous?

Mr. ANDERSON. It is a unanimous report.

Mr. DIRKSEN. I opposed the bill when it first came to the Senate, and probably will oppose a companion bill sometime later. Although the report contains what I believe to be a fancy appropriation approach, I bow to the will of the conference.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

FEED GRAIN ACT OF 1963

The Senate resumed the consideration of the bill (H.R. 4997) to extend the feed grain program.

Mr. MILLER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MILLER. Before the rollcall just completed was called for, the distinguished Senator from Iowa [Mr. HICKENLOOPER] yielded back the remainder of his time and the distinguished Senator from Louisiana [Mr. ELLENDER] yielded back the remainder of his time. Then a voice vote was held, followed by a division vote, and then the distinguished Senator from Louisiana, who had previously yielded back the remainder of his time, suggested the absence of a quorum. The Chair ruled that the quorum call could be requested under those circumstances.

Yesterday a similar situation arose involving the distinguished Senator from Wyoming [Mr. SIMPSON]. I invite the attention of the Chair to page 8216 of the RECORD and the following colloquy:

Mr. MILLER. Mr. President, I merely wish to make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MILLER. I ask the Chair whether or not, when a Senator has yielded back the remainder of his time, it is in order for him to suggest the absence of a quorum.

Mr. ELLENDER. He may do it on his own time.

Mr. MILLER. The question is whether he may do so once he has yielded back his time.

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that once time has been yielded back, the Senator may not suggest the absence of a quorum at that point because he has no time even to make the suggestion of the absence of a quorum.

I ask the Chair to resolve the differences between the two rulings. One must be in error. The question I propound is as follows: When time has been yielded back by both sides, is it in order for either one of the Senators who has yielded back the remainder of his time to suggest the absence of a quorum?

The PRESIDING OFFICER. The present occupant of the chair was not in the chair yesterday when the ruling was made, but under all the precedents of the Senate, when the Senate is working under a unanimous-consent agreement relating to controlled time and the time has been utilized, it is then appropriate to make the request for a quorum call. But under a unanimous-consent agreement time must be utilized or yielded

back before a quorum call is in order, unless a Senator uses time available to him for a quorum call.

Mr. MILLER. Mr. President, I wish to inquire further. Do I correctly understand that, assuming the time has not been entirely used, once it has been yielded back by both sides, it is then in order for either one of the Senators who has yielded back the balance of his time to suggest the absence of a quorum?

The PRESIDING OFFICER. Yes; or any other Senator.

Mr. MILLER. I am sorry. I did not hear the statement of the Chair.

The PRESIDING OFFICER. Will the Senator restate his inquiry?

Mr. MILLER. The inquiry is as follows: Once both Senators who are in control of time have yielded back the remainder of their time, is it in order for either one of the Senators to suggest the absence of a quorum?

The PRESIDING OFFICER. The Senator is correct. Any other Senator may also do so at that time.

Mr. MILLER. I thank the Chair.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. CURTIS. Mr. President, I call up my amendment No. 89 and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from Nebraska will be stated.

The LEGISLATIVE CLERK. On page 12, line 14, it is proposed to add the following new sections:

DECLARATIONS AND FINDINGS

SECTION 1. That the Congress of the United States hereby makes the following declarations and findings concerning the development of new and improved uses for farm products, new crops to replace those now in surplus, and the disposal of surplus commodities owned by the Government:

(a) Farms in the United States have a capacity to produce more farm products than can now be marketed at prices that will return sufficient incomes to farmers to maintain an efficient and progressive agricultural industry.

(b) A prosperous agriculture will contribute immensely to national welfare by efficient production of needed food, feed, and fiber by provision of raw materials for the transportation and processing industries, by purchases of production supplies, and by its contribution to maintenance of a balanced and high-level national economy.

(c) National defense and security interests of the United States require protection of agricultural resources against deterioration and the maintenance of high productive capacity in order to meet possible emergency needs of the United States and other friendly nations.

(d) Basic research in agricultural products and their uses is essential in any long-range program of benefit to agriculture.

(e) Research programs to develop new and improved uses for farm products and new farm products have potentialities for providing outlets for a larger volume of farm production and greater stability of the prices of farm commodities.

(f) Public and private research agencies, including the Departments of Agriculture and Commerce, the land-grant colleges, other universities and research institutions, as well as private firms, can and should be utilized for an all-out attack on development of new and improved uses, and new and extended markets and outlets for farm products and byproducts, and on development of means by which present industrial and commercial

uses of farm products and byproducts can be extended. Research, pilot plant, development and trial commercialization work and corollary economic and related studies should be devoted to the expansion of industrial uses for agricultural commodities in surplus, and to any food and feed uses and replacement crops that can make substantial contributions toward the solution of the surplus problem. Facilities should be established as needed to permit adequate experimentation and testing, and production and market development, of promising new uses and new products, and to permit the development of means for expanding existing industrial and commercial uses of farm products and byproducts.

(g) Development of new and improved industrial and other uses of farm products and new farm products and new and extended markets and outlets for farm products and byproducts will enlarge income opportunities for farmers. It also will reduce Government costs for acquisition, storage, and ultimate disposition of commodities now in surplus.

(h) Disposition of a portion of these surplus stocks of the Commodity Credit Corporation through industrial channels for new or byproduct uses, and for expansion of existing industrial and commercial uses, so that the carryover of any commodity beyond the needs of the Nation can be reduced, will have a stabilizing effect on the market prices for farm commodities.

POWERS AND DUTIES OF SECRETARY

SEC. 2. The Secretary of Agriculture, acting through the Agricultural Research Service of the Department of Agriculture, is authorized and directed to coordinate and expedite efforts to develop, through research, pilot plants, and trial commercialization, new industrial uses and increased use under existing processes, farm and forest products and the development of new crops in cooperation with other Federal agencies, State governments, educational institutions, private research organizations, trade associations, individuals, and industrial corporations. In carrying out these duties, the Secretary is empowered—

(a) to cooperate with and coordinate the activities of other Federal departments and agencies, land-grant institutions, and experiment stations. The Secretary shall utilize existing facilities owned or controlled by the Federal Government to the greatest extent practicable, including pilot grants, regional laboratories, and other facilities and equipment, and is authorized to utilize authority now available under existing law;

(b) to make grants, for periods not to exceed five years' duration, to State agricultural experiment stations, colleges, universities, and other research institutions and individuals;

(c) to contract with foreign individuals, organizations, institutions of learning, or private corporations where payment can be made in foreign currency accumulated under Public Law 480, Eighty-third Congress. The Secretary is hereby authorized to utilize such foreign currencies notwithstanding other provisions of law requiring reimbursement;

(d) to make contracts or cooperative arrangements in the manner provided by sections 10(a) and 205 of the Act of August 14, 1946 (7 U.S.C. 427i, 1624), including contracts and agreements providing for the commercialization, market acceptance, and the economic feasibility of industrial utilization in the competitive market for agricultural products and processes with respect thereto;

(e) to extend suitable incentives to farmers or to industry to hasten the establishment of a new crop or of a new industrial use, or to expand present industrial and commercial use, where such appear likely to lead to durable additional markets;

(f) to direct the Commodity Credit Corporation to make delivery of any of its stocks of commodities to agencies of the Govern-

ment, persons, or corporations designated by the agency where such stocks are to be used for (A) research, (B) pilot land operation, (C) trial commercialization, (D) export of manufactured products, (E) new or byproduct uses, or (F) further development of present industrial and commercial uses. The Commodity Credit Corporation, with respect to commodities thus requisitioned by the Secretary, shall pay necessary handling and delivery charges to the destination directed by the Secretary. Such sums of money as the Secretary shall receive, if any, on such transfers of commodities, shall be turned over to the Commodity Credit Corporation;

(g) to enter into contracts with persons, corporations, and associations under which he shall agree (1) to sell grains owned by the Commodity Credit Corporation for use in the manufacturing or processing of commercial products, other than products intended for human or animal consumption, at such prices he deems appropriate, without regard to the restrictions contained in section 407 of the Agricultural Act of 1949, as amended, and (2) to deliver such grains over such periods, not to exceed five years, as may be necessary to assure the purchasers of a continuing supply of such commodities;

(h) to make contracts or leases for the private operation of any property or facilities transferred from another Government agency pursuant to this Act or other legislative authority;

(i) to make loans or grants to those with whom contracts or other arrangements are entered into, for the purpose of providing assistance in the acquisition or expansion of facilities and equipment for research or development activities;

(j) to provide in all contracts for the disposition of inventions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract or other arrangement is executed: *Provided, however,* That nothing herein shall be construed to authorize the agency to enter into any contractual or other arrangement inconsistent with any provision of law affecting the issuance or use of patents;

(k) to grant exclusive licenses with or without payment of royalty for a fixed period of not to exceed five years for the use of patents under the control of the Department of Agriculture;

(l) to pay incentive awards to private citizens for suitable and acceptable suggestions to implement the program established by this Act, such payments to be made in accordance with previously published rules stating the amounts of, criteria for determining, and subjects of, such awards;

(m) to test production procedures on a commercial basis, maintain and operate manufacturing facilities where necessary to prove the commercial feasibility of volume production; and to build, purchase, or lease plant facilities, or necessary equipment suitable for manufacturing needs in accordance with the purposes named herein; and

(n) to cooperate with municipalities and others in research on air pollution through the use of alcohol, made from farm crops, as a component of motor fuel.

LIMITATION ON CONSTRUCTION OF NEW FACILITIES

SEC. 3. Of the funds appropriated pursuant to section 11, not more than 5 per centum shall be available for the construction of new plants, stations, laboratories, or other facilities or structures. In making any contract, grant, or payment of funds appropriated under this Act, the Secretary of Agriculture shall designate the portion thereof, if any, which may be used for such construction.

DISTRIBUTION OF FUNDS TO STATE AGRICULTURAL EXPERIMENT STATIONS

SEC. 4. Of the funds appropriated pursuant to section 11, 20 per centum shall be paid to the States for use by State agricultural ex-

periment stations in carrying out research projects in furtherance of the purposes of this Act. Such funds shall be distributed among the States in the same ratio as in the case of funds appropriated for carrying out the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a-361i).

ADVISORY COMMITTEES

SEC. 5. The Secretary of Agriculture shall appoint one or more advisory committees composed of scientists or other qualified persons and shall consult with such committees from time to time with respect to the selection of research projects and the evaluation of research activities.

TRANSFER OF GOVERNMENT PLANTS

SEC. 6. Notwithstanding any other provision of law, any Government agency holding any Government-owned facility useful in the program authorized by this Act is authorized to transfer such facility to the Secretary of Agriculture, for use in the program, if requested to do so by the Secretary, provided such transfer has the approval of the Director of the Bureau of the Budget. The Secretary is authorized to exercise, with respect to the facilities transferred, all of the authority vested in the agencies transferring such facilities. At the time of such transfer, funds and personnel related to the operation or administration of such facilities, shall, with the approval of the Director of the Bureau of the Budget, also be transferred to the Secretary.

DEFINITION OF "AGRICULTURAL PRODUCTS"

SEC. 7. The terms "agricultural products" and "farm and forest products" as used in this Act shall have the same meaning as the term "agricultural products" in section 207 of the Act of August 14, 1946 (7 U.S.C. 1626).

ANNUAL REPORT

SEC. 8. The Secretary of Agriculture shall present annually to the Congress not later than the 20th day of January in each year a full report of his activities under this Act.

SAVINGS PROVISION

SEC. 9. The authorities under this Act are in addition to and not in substitution for authorities otherwise available under existing law.

APPROPRIATIONS

SEC. 10. There is hereby authorized to be appropriated to the Department of Agriculture such sums as may be necessary to carry out the purposes of this Act.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CURTIS. Mr. President, this amendment carries the provisions of the bill which I introduced earlier this year to set up a program for greater industrial uses of farm surpluses. My efforts along this line are in absolute good faith. Yesterday I stated that I felt that to narrow the legislation down to the bill as reported by the committee would be very unwise agricultural legislation.

There are surpluses throughout the country. There is before the Senate a bill to impose controls upon the producers of feed grains. We would ignore the production of feed grains and the livestock that is fed therefrom which comes from foreign countries, and we would also ignore the further use of our agricultural products for nonfood uses to follow that approach.

To give an all-out approach to the problems of agricultural surpluses and their effects on prices, I have offered the amendment today. I hope that it

will fare better than the amendment I offered yesterday, which would have imposed some reasonable restraint on the large amounts of imports of livestock, meat, and meat products.

Our agricultural problems are so many and so complex that they must be approached from every angle, not merely from the angle of the bill before the Senate. We must give attention to the unlimited imports of agricultural products. Also, we must find greater uses for the surpluses presently existing.

Though we are troubled with surpluses and have failed to properly handle them, the truth of the matter is that they are a blessing.

Three or four years ago Congress enacted a provision which I had the honor to introduce which called upon the President of the United States to establish a Commission to recommend additional industrial uses of our farm crops. President Eisenhower appointed such a Commission. It was a bipartisan Commission.

The President appointed Mr. J. Leroy Welsh, of Omaha, the partner of the late Hugh Butler, who served with distinction in this Chamber, to be Chairman of the Commission. Other members were Karl O. Butler, George H. Coppers, Charles Sayre, and Frank J. Welsh. Mr. Frank J. Welsh served in this administration with distinction as an Assistant Secretary of Agriculture.

The Commission called in some 200 intelligent, capable persons who were concerned with the problem. They organized approximately 17 task forces.

In this endeavor there were represented not only farm leaders, but also leading chemists, manufacturers, industrialists and other specialists. Most of them served at their own expense, and none of them received any pay. They met in task forces. They took up given areas of the problem and made a report.

Mr. Wheeler McMillen, who has recently retired as editor of the Farm Journal, had been an exponent of this program at that time for more than a quarter century. He served as executive secretary to the Commission.

The Commission made a report. The report said in substance that through research, trial commercialization, and pilot testing there could be developed in this country a program which not only would wipe out our surpluses of farm products but also eventually would call upon the farmers of America to produce all they could.

Mr. President, how could we expect agriculture to be prosperous operating at 40 percent of capacity, or 60 percent of capacity, or even 80 percent of capacity? The high cost of operation is such that if a farmer is to succeed he must produce all the units he can. That is the reason why restrictions and controls have always failed, and will always fail. If a farmer stays in business and is not taken over by his creditors he must, like every other businessman in the country, strive to produce all he can.

The program has a reactionary philosophy. I say "reactionary" advisedly. It does not differ a bit from the program

of Henry Wallace. It is a negative approach. It is a controlled production approach. It represents a restriction on what one may plant, and how much. Our expenses under the program have gone on and on and on. Today it is harder for a young man to acquire capital and go into farming and make a success of it than ever before in our history, because he is so limited on one side and the costs have grown so much on the other side.

One of the important projects proposed by the Commission embodied in the amendment I have offered is research. But research alone is not enough. We must go beyond research. If the chemists and other technicians in our laboratories find a new use for something the farm can produce, and they write a paper and it goes on the shelf, there to gather dust, we have not solved anything. We need a program that will use the research which has already been developed, bring about more research, and set such research in motion in pilot plants and trial commercialization. That is what the Welsh Commission recommended.

Mr. President, I hold in my hand the March 1963, issue of the official magazine of the Chemurgic Council.

Mr. President, may I be informed when I have consumed 25 minutes?

The PRESIDING OFFICER. The Senator will be informed.

Mr. CURTIS. This issue of the magazine discusses the very tiny effort that is taking place to find greater uses for the blessings that we have. I wish to quote from the article. After mentioning a figure of \$24 million for research, it states:

Thus we can arrive at a figure of about 1.6 percent of present product values being spent on research and development looking toward increased usage of agricultural materials by the chemical and textile industries.

This will immediately be recognized as lower than the average amount spent by the chemical industry as a whole on its research for all purposes, said amount being generally on the order of 3 percent of sales and of course higher if stated on a percent of raw material basis.

If the above estimates are reasonably near the truth, we can arrive at a conclusion which will surprise no one who has given the matter even a little thought, namely, that the total research effort on utilization of agricultural raw materials in the chemical industry is deficient as compared to the amount of research devoted to nonagricultural materials.

Mr. President, that is an understatement. The research that has been carried on by our Government has been research on how to produce more, on how to overcome a plant disease, or some other problem, all of which has added to our production. That is right and necessary. We must be efficient in order to lower costs. But while industry carries on a program for developing new products, we are back where we were centuries ago.

Mr. President, an all-wise Creator has put on this earth about 250,000 plants that have been identified. Man has domesticated and put to use only 150 of them—not 150,000; a mere 150. The others are here for a purpose. They

can be produced on our farms, and they can supply many wants.

Perhaps the field of alfalfa and clover represents the greatest untapped source of wealth in the country. We are now making synthetically vitamins and medicines and other products that exist in those plants, worth not millions of dollars, not hundreds of millions of dollars. In some instances a single item is worth as much as \$18 billion or \$20 billion.

In the Wall Street Journal for May 13, 1963, on the front page, we find this headline: "Will Abyssinian Kale, Indian Ironweed Aid U.S. Industry and Farmers?"

The article goes on to say:

The Government's search for new cash crops to take over surplus farmland is beginning to yield real, though modest, hope.

More than a half-dozen different plants brought from foreign soil for expert U.S. scrutiny are showing promise of providing raw materials for American industry.

From Abyssinian kale, a member of the mustard family imported from Mediterranean lands, comes an oil useful for plastics; this hardy plant could be grown on semiarid Great Plains areas now devoted to surplus wheat. Ironweed from India, it's found, contains an oil of special value for fast-drying glues and paints; this weed might move onto some Midwest land growing excess feed grain. A Brazilian plant called sun hemp may furnish a fiber for making paper products. Other prospects may supply some of the makings of insecticides, detergents, lubricants, cosmetics.

A few unexploited American natives may help out, too. From meadowfoam, now strictly a U.S. garden flower, can be extracted a waxy substance with potential outlets in floor waxes, and like products.

There is a demand in our industry now for those waxes.

Experimental plantings of some of the best bets, while still tiny, are expanding.

Among prospective industrial customers, Du Pont Co., Union Carbide Corp., Dow Chemical Co. and Monsanto Chemical Co., all are showing interest in the Government's findings about new-crop possibilities.

I am particularly interested in reading this paragraph from the Wall Street Journal article:

A newer if lesser success story is that of safflower. Introduced into the United States in 1925, this crop covered 600,000 acres last year, up from 420,000 acres in 1961 and only about 10,000 in 1948. Safflower oil is finding high favor in low-cholesterol diets which some doctors think are helpful in preventing heart attacks.

Of course, that is a food purpose, but I happen to know that most of the safflower goes into industry. The pioneering work on safflower was done at the College of Agriculture at the University of Nebraska. It started in a small area in Nebraska. Today it has extended to a great corner of the panhandle in Nebraska, in the wheat country.

The total national production has gone up from 10,000 acres in 1948 to 600,000 acres. How did it happen? Because of the research and pilot testing and trial commercialization carried on in one small State university.

When safflower had been developed to the point where it had commercial possibilities, the potential users said, "We

would rather have safflower oil, but we cannot gear our plant to a supply of safflower coming only from one area, because if there were a disaster and the safflower production were wiped out, we would have no supply."

As a result, this great company established safflower production in the State of Montana, in the State of California, and in the State of Nebraska, far removed places, so that if natural causes took one source away, there would be others.

I believe that the Creator, who gave us all these plants, was not bungling. They are here for a purpose. I believe it is for us to find out. The individual farmer cannot establish a laboratory and do experimenting and go on television and say "Progress is our most important product. See what our chemists have developed." The Government must carry on the research, the pilot testing, and the trial-commercialization. The amendment I have offered calls for such a program. But at that point private enterprise takes over, and the findings are available to everyone.

A great deal of progress has already been made, but it has been in a small way. Had this program been started 10 years ago with the same enthusiasm with which other scientific endeavors have been started, we would not have the problems of storage. We would not be faced with the problem of telling the farmer, "We will reduce your acres more and more." We would not be faced with the problem of dumping at a low price in some foreign countries surpluses of our food that wreck the markets in those countries and create ill will for our own country.

I have been interested in this subject for a long time. In 1945 I asked for and obtained a hearing in an effort to try to save for the farmers the American synthetic rubber plants. Today we produce far greater quantities of synthetic rubber than we buy of natural rubber, but it is not made from agricultural surpluses. It was at one time. When Mr. Bill Jeffers was appointed rubber czar, he was called upon to make rubber during World War II out of surplus grains. If he had failed in his endeavor, it is doubtful if we could have won the war. This Nation moves on rubber.

When he first started to make rubber out of surplus grain, the cost was so high it was almost scandalous. In a matter of months, by trial and error and by improvement, study and research, the price was brought down to where it was competitive with natural rubber.

We did not succeed in saving that industry for the farmer.

The PRESIDING OFFICER. The 25 minutes of the Senator have expired.

Mr. CURTIS. I thank the Chair. I shall proceed briefly.

Many fine laboratories have gone ahead on this subject while our Department of Agriculture continues to slumber. I refer to the Southwest Research Institute of San Antonio, Tex. I wish to read what Mr. Bob Considine wrote in March of this year:

The Southwest Research Institute of San Antonio, Tex., has produced a remedy calculated to do something constructive, simultaneously, about the Nation's colossal grain surplus and Greater Los Angeles smog.

Here's the pitch:

Turn the mountains of Government-owned wheat into alcohol, dump some of it in the oceans of gasoline burned in cars every day, and presto. Smog-producing exhaust gases will be reduced as much as 60 percent.

Do Senators think that is fantastic? How does it happen that Major Cooper is orbiting the earth? How does it happen that we have extended the lifespan? How does it happen that so many other miracles have occurred? It is because of research and application of the research.

That is the only way we can ever solve the farm program. We will never do it by the ancient, reactionary program of a quarter of a century ago, which restricts the farmer; and we will never solve it by the Senate running away from its problems and quibbling over whether we shall finish the consideration of a bill today or next Tuesday.

I do not know how the American farmers will vote, but I believe the question is settled as to how they will vote on the wheat referendum. I am sorry that the Senate has taken the attitude of refusing to face the farm program, of finding greater uses for our surpluses, of shutting off damaging imports, and supplementing the program with whatever controls are needed.

My proposal or one similar to it has passed the Senate twice. I am not going to let it go down to defeat today.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. MANSFIELD. I have followed with interest the efforts of the distinguished Senator from Nebraska along these particular lines, both in the House, in which we served together, and in the Senate. It is true, as he says, that the Senate has twice passed measures he has advocated to put into effect the program which he has emphasized this afternoon.

I would hope, however, that the Senator would not press his amendment at this time. Because I think what he advocates is important and significant, and because I have some knowledge of it because of the safflower industry in my State. I hope he will seriously consider, if at all possible, withdrawing his amendment at this time and leave the further consideration of it to the Committee on Agriculture and Forestry as a single measure unrelated to feed grains.

Mr. CURTIS. I thank the distinguished majority leader. I intend to do that. If the majority leader or the Senator from Louisiana will yield me 3 or 4 minutes, I will finish my statement, and then ask unanimous consent to withdraw the amendment.

Mr. MANSFIELD. I yield 4 additional minutes to the Senator from Nebraska.

Mr. CURTIS. I thank the Senator for yielding time to me. I appreciate the kindness of the majority leader. I am sorry the Senate is in a situation in which amendments cannot be accepted.

This is not a dreamer's program that I have been speaking about. It is a program of progress based on the proven path of progress by which America has always solved its problems.

I have a very dear friend in a distant State who uses a great deal of a particular manufactured product. The product is sold in every one of the States of the Union and abroad. He needs this product. His source of supply was shut off or was placed in the hands of competitors. He is building his own facility to manufacture his needed product. I shall not identify the product, because I received this information in confidence. The component part, the product that he needs, can be made either from agricultural products or nonagricultural products. He is a country boy, who came up from the bottom. He has followed this line of work all through the years. He has told me that if the Government would guarantee to make available a source of supply of surplus farm products for a period of 5 or 10 years, he would invest the necessary millions of dollars to use that surplus for this industrial purpose.

But we bumble along in these programs. One day the Secretary of Agriculture offers a fire sale of surplus crops; but there is no assurance of what can be bought the next year.

There are two distinct provisions in the amendment I have offered. One provides that out of CCC stocks, any laboratory, university, or agricultural college experiment station may receive Commodity Credit Corporation surplus stocks without charge in order to perform the experiments.

The second provision is that if any manufacturer wishes those commodities to manufacture a product for neither animal nor food consumption, nor in competition with an existing product, the Secretary of Agriculture may enter into a contract to guarantee him a supply of CCC stocks for a period of 5 or 10 years.

If that alone were done, the extent to which private industry would become interested in this issue would be surprising. I hope the day will come when we will have a Department of Agriculture that will be interested in the solution of the farm problem, and that the forces in America which oppose this approach will realize that it would not hurt them, and that such a program can become a reality.

The natural competitor of farm products is petroleum. Chemists report that even if petroleum had not been found by digging into the earth, starch certainly would have been found; and that there is not a thing in the world that can be done with petroleum in the making of synthetics that cannot be done with starch.

Many leaders in the oil industry are not opposed to this program.

The PRESIDING OFFICER. The time of the Senator from Nebraska has expired.

Mr. CURTIS. Mr. President, may I be yielded 1 more minute?

Mr. MANSFIELD. Mr. President, I yield 1 additional minute to the Senator from Nebraska.

Mr. CURTIS. Leaders in the oil industry are not opposed to this program, for many reasons. First, they are taxpayers. They want to have the problem solved. Second, who comprise the largest number of buyers of motor fuel and tires? It is the farmers. Third, motor fuel will be sold throughout the country regardless of what its components are. So no business will be lost.

So while some persons may be bitterly opposed to such a program, many persons favor it.

Mr. MANSFIELD. I yield 3 minutes to the Senator from Oregon.

Mr. MORSE. Mr. President, I ask unanimous consent to insert in the CONGRESSIONAL RECORD, a wire received from the president of the Oregon Farm Bureau, Mr. Harold Beach.

Although I disagree with his opposition to the feed grain bill, I want his viewpoint spread on the RECORD before the vote is taken.

I think he is wrong in his analysis of the bill. If the wheat referendum is defeated, I think there is little chance of the passage of a wheat bill to the liking of the farm bureau because, I consider their economics in the matter to be both unsound and against the best interest of Oregon farmers and farmers elsewhere. Further, I think the feed grain bill is of essential importance to Oregon livestock and poultry producers.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

SALEM, OREG., May 15, 1963.

Senator WAYNE MORSE,
Senate Office Building, Washington, D.C.:

New feed grains bill (H.R. 4997) does not adequately protect our area from unjust price policies followed under 1961-62 emergency feed grain bills. Secretary given greater authority than under present law to manipulate prices of feed grains. Know you are familiar with situation. Doubt new feed grain legislation will affect outcome of wheat referendum. Passing feed grains bill could hurt chances for new wheat legislation in the event of a "no" vote. Urge you oppose H.R. 4997 until after May 21.

HAROLD BEACH,

President, Oregon Farm Bureau Federation.

RECOGNITION OF DISTINGUISHED OREGONIANS BY DEPARTMENT OF AGRICULTURE

Mr. MORSE. Mr. President, as the senior Senator from Oregon, it gives me great pleasure to inform Senators of the deserved recognition being given by the U.S. Department of Agriculture to a most distinguished Oregon scientist. At a ceremony on May 17 in the Sylvan Theater on the Washington Monument Grounds, Dr. A. L. Hafenrichter of the Oregon office of the Soil Conservation Service will be presented with the Distinguished Service Award of the U.S. Department of Agriculture. The citation which accompanies the honor reads as follows:

For distinctive leadership and initiative in developing, testing, and producing superior plants for widespread use in soil and water conservation.

Oregon citizens, and particularly Oregon farmers, join me in extending to Dr. Hafenrichter our warmest congratula-

tions. I ask unanimous consent that biographical data provided by the Department concerning Dr. Hafenrichter be printed at this point in my remarks.

There being no objection, the biography was ordered to be printed in the RECORD, as follows:

Dr. A. L. Hafenrichter, plant materials technician, Soil Conservation Service, Portland, Oreg.: "For distinctive leadership and initiative in developing, testing, and producing superior plants for widespread use in soil and water conservation."

Dr. Hafenrichter joined USDA in 1933 after serving as professor of botany at Baker University, Baldwin, Kans., and assistant professor of farm crops at the State College of Washington.

He was chief of the agronomy and nursery divisions of the Soil Conservation Service in the Northwest region, 1934 to 1954, and since then has been Soil Conservation Service plant materials specialist for the States of Arizona, California, Nevada, Utah, Idaho, Oregon, Washington, Alaska, and Hawaii.

Dr. Hafenrichter was born in Plainfield, Ill., and is a graduate of nearby Northwestern College. He received his Ph. D. from the University of Illinois in 1926, and is a fellow of the American Society of Agronomy, and a member of Phi Beta Kappa. Dr. Hafenrichter was presented a Superior Service Award in 1947.

Mr. MORSE. Mr. President, I should also like to take this opportunity to congratulate the personnel of the Pacific Northwest Forest and Range Experimental Station of Portland, Oreg., and its six field offices upon their being given recognition through a Department of Agriculture Unit Award, presentation of which is to be made at a later date. The fact that this is a well-deserved tribute is clearly indicated by the language of the award which states:

For meritorious service in the field of employee and public safety by maintaining a 9-year exemplary performance record in forest, range, and watershed management research, without a single disabling injury.

Honored also by the Department of Agriculture for long and faithful service are three Oregonians who have completed 40 years of service with the Department in the Forest Service. I refer to Mr. Ray B. Hampton and Mr. Jack B. Hogan, of Roseburg, and Mr. Walter H. Lund, of Portland. To each of them I wish to pay public tribute.

It is only through the capabilities of such dedicated men and women as these civil servants that the work of the Government can be successfully done.

FEED GRAIN ACT OF 1963

The Senate resumed the consideration of the bill (H.R. 4997) to extend the feed grain program.

Mr. CURTIS. Mr. President, I ask unanimous consent that I may withdraw my amendment without prejudice.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The bill is open to amendment.

Mr. MILLER. Mr. President, I offer an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

It is proposed to amend the bill (H.R. 4997) by inserting the following new subsection at the end of line 19 on page 10:

"(3) In determining whether the supply of any feed grain, as defined by this Act, is 'adequate', 'excessive', or 'in surplus', or likely to be 'adequate', 'excessive', or 'in surplus', the Secretary shall first consult with the Secretary of Defense, the Secretary of State, and the Secretary of Health, Education, and Welfare, and shall then have published in the Federal Register his proposed findings of the quantity (in bushels) of each of said feed grains which he proposes to find to be necessary to meet any national emergency. Appropriate notice and hearings shall be held on the Secretary's proposed findings, following which the Secretary shall have published in the Federal Register his final findings of the quantity (in bushels) of each of said feed grains which he finds to be necessary to meet any national emergency. Thenceforth, no publications of the Department of Agriculture shall make reference to a 'surplus' of any of said feed grains except with respect to the amount by which the stocks of said feed grains exceed the quantity (in bushels) of each of said feed grains which the Secretary has finally found to be necessary to meet any national emergency."

Renumber the remaining subsections.

Mr. MILLER. Mr. President, the purpose of the amendment is to reach one of the problems I have been discussing from time to time on the floor of the Senate with the able Senator from Louisiana.

Whenever we talk about surpluses, I always wonder what we are talking about. The bill is replete with language that is very loose, such as "adequate surplus" and "excessive surplus." It seems to me that we are treading on very dangerous ground, when we undertake the consideration of a measure of this importance, in leaving the interpretation of such language to the Secretary of Agriculture. What we ought to do is to provide some kind of ground rule under which such terms could be made meaningful.

I do not believe there is a Senator who can define these expressions in terms of meaningful symbols, such as bushels of grain. That is what we shall have to do sooner or later if we expect to have a meaningful farm program. The Secretary of Agriculture is not unmindful of the problem. I have before me an article published in the Sioux City (Iowa) Journal of December 24, 1962. The article was written by John Harms, and it reads in part as follows:

WASHINGTON.—You can expect to hear less and less about huge farm surpluses under a new administration policy which so far has attracted little attention.

Instead, you will hear more and more about sufficient reserves (of farm products) and adjustment, meaning to gear production to domestic and foreign commercial demand and the use of food and fiber in an intensified cold war.

But don't confuse this with controls or an overall rollback of the agriculture economy.

Under the new policy—and this is important to the rural business community—overall demand for food will be up, not down. The total farm output over the next 5 years will increase a minimum of 1.5 percent a year, according to official estimates. And such estimates are admittedly conservative.

Reserves means enough food and fiber for any national emergency.

I may add, any national emergency is a phrase which is contained in the bill; and my amendment seeks to tie in the meaning of these phrases in terms of any national emergency.

Mr. MANSFIELD. Mr. President, will the Senator from Iowa yield briefly?

Mr. MILLER. I am happy to yield.

Mr. MANSFIELD. Mr. President, on the question of agreeing to this amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MILLER. Mr. President, I continue to read from the article:

The Cuban crisis made it possible for the administration to come out more into the open with defense plans most farm leaders have been urging for some time.

In any case, a national food stockpile is in the foreground of current defense policy, whether going by the name of reserves or surpluses. Efforts by congressional leadership to advance the food stockpile idea have so far failed under both the former and the present administration, while the national stockpile of critical nonfood materials continues to increase and is now estimated at about \$3.5 billion worth more than is needed.

Agriculture Secretary Freeman is thinking of sufficient reserves of raw food supplies which can be stored for long periods about as follows:

Feed grains: Roughly more than 45 million tons reserve or supply should be on hand at all times. Present supply is about 70 million tons. But since this is expected to be down to about 55 million tons by next fall, very little, if any, further reduction of feed grain supplies should be expected after that.

Beef and pork supplies: Except as normal supplies of meat in canned form, beef and pork do not figure in the reserve plans as such. But—the maintenance of high feed grain supplies is figured to provide enough feed for animal and poultry production at prices low enough to insure full meat supplies.

Wheat: A range of from 600 to 700 million bushels would be considered a good reserve. Present supplies are twice that.

But these estimates are short run—planned for the brief emergency, such as a Korean police-type action, or for emergency needs in underdeveloped countries threatened with economic upheaval. U.S. help is calculated to make it tougher for communism to gain ground.

To be ready, should any crisis occur, Freeman is already making plans for the strategic storage of grains. For example, all livestock producing areas will have in storage enough feed for animals to last them until the next pasture season.

Adjustment, which is part of the reserve plan, doesn't mean tight control or even cutbacks, necessarily. Adjustment may mean increasing production as well as cutting back, Freeman is now pointing out.

Soybeans and dried beans: Freeman cites the beans as an example of adjustment upward. The Secretary is now talking out aloud of a reserve in 1964 of at least 100 million bushels of soybeans or nearly twice the carry-over expected next fall.

In connection with the latter point, Mr. President, my amendment of yesterday was designed to prevent the abuse of a determination by the Secretary of Agriculture which could cause a severe decline in soybean prices by aggravating the amount of soybeans on hand and, through his discretion, determining whether 100 million bushels or 50 million bushels or 200 million bushels was deemed to be a surplus of soybeans.

In connection with the observation in

the article—that Secretary Freeman has determined that roughly more than 45 million tons reserve or supply of feed grains should be on hand at all times, I should like to point out that carryover stocks at the beginning of the 1962-63 year totaled 72 million tons; and at the end of the 1962-63 year, which will be this fall, they are expected to be 61 million tons, or 16 million tons more than the 45 million ton objective referred to in the article.

Mr. President, Mr. George Walters, of the Civil Defense Division of the Office of the Secretary of Agriculture, says the Department has estimated that it would need a combined total of 115 million bushels of wheat and feed grain to relocate where little or none is stored, as a safeguard against interruption of transportation in a national emergency. He states that desirable stock levels, including defense and other purposes, required in national emergencies would be, for wheat, 600 to 700 million bushels; and for feed grains, 45 to 50 million tons.

I point out that according to Mr. Freeman, 45 million tons is a desired objective, whereas according to the gentleman in Mr. Freeman's office, 45 million tons to 50 million tons is a desired objective. But we do not know what contingencies these objectives are measured against.

The article to which I have referred indicates that these are short-term, relatively simple types of national emergency situations, such as the Korean war. But the article also points out that long-range objectives are being studied. The purpose of my amendment is to see to it that the Secretary of Agriculture makes a determination, after first consultation with the Secretary of Health, Education, and Welfare, the Secretary of State, and the Secretary of Defense, whose offices should be able to provide him with a fairly good statement of the requirements for feed grains. Following that, the Secretary of Agriculture would publish in the Federal Register his proposed findings with respect to what we might call a stockage objective. There would be appropriate time for hearings; and at the hearings all interested persons, both from Government and from private industry, could come forward and indicate whether they approved or disapproved of such stockage objectives.

I suggest that the Secretary of Agriculture could benefit greatly from the testimony which would be received at the hearings. I also suggest that the figure of 45 million tons of feed grains as a stockage objective might well be determined to be very low. I have heard estimates which ranged to at least twice as much as 45 million tons, as being necessary to have on hand as a strategic reserve.

Following the hearings, the Secretary of Agriculture would publish his final determination of what the stockage objectives would be, in terms of bushels of various kinds of feed grains.

My amendment provides that henceforth, whenever the Department of Agriculture issues a publication, it will not use the word "surplus," except with

respect to the quantity of grain in excess of the stockage objectives.

It would do violence to the meaning of the word "surplus" if, for example, there were a stockage objective of 45, 55, or 65 million tons of feed grains and we have only 50 million tons of feed grains in surplus, to talk about, because the quantity then would be even less than our national strategic requirements indicated.

Another factor enters into the picture. What basis does the Secretary of Agriculture use in arriving at his determination of stockage objectives? It is easy for us to sit down and determine the domestic requirements for various kinds of feed grains. I suppose it would be relatively easy to determine how much might be needed for livestock feed from one pasture season to another, how much of the various kinds of feed grains might be required for our domestic population in times of grave national emergency, and how much of our feed grains might be required to accompany our troops overseas.

But there is another factor that is vital. That is the factor of requirements for export. One reason why this has become of such critical meaning is the recent action of the Common Market. Our exports of agricultural supplies to the Common Market nations have been very good until recently. The prospects are not so good.

Mr. President, at appropriate hearings when his determination was being questioned, I would like to see what the Secretary of Agriculture would have to say about future requirements for export and the impact of such future requirements on the national stockage objectives. I suggest that if the stockage objectives are drastically revised downward because the Secretary of Agriculture has made a finding that the future exports of wheat and feed grains to the Common Market nations, for example, would decline greatly, pressure would be brought by Members of Congress to see to it that our negotiators in the Common Market and with the GATT countries do something to prevent that from happening.

I wish to call attention to a recent article on this very subject. The article points out:

Last winter's news from Western Europe was dominated by Britain's application for membership in the Common Market and De Gaulle's brusque veto. The debate concerning British entry overshadowed the Common Market's progress toward a unified agricultural policy—something that many thought could not be achieved.

The policies being adopted, like many national plans, are more in keeping with a closed economy than with an open, world trading community. As a consequence, the United States and other exporters have become very concerned as EEC policies for certain commodities (poultry, wheat, feed grains) have evolved. Washington officials have frantically sought to resist the pressures for retaliatory trade barriers.

One wonders why Washington officials have so frugally sought to resist the pressure for retaliatory trade barriers when about a year ago the Senate

adopted an amendment to the foreign trade bill which would give the President retaliatory powers in the event the Common Market nations imposed discriminatory variable import duties against American agricultural imports.

I continue to read from the article to which I referred:

There are several reasons for concern. Exports to the Common Market comprise a substantial part of U.S. commercial agricultural exports in contrast with local currency sales to India, Pakistan, Yugoslavia, and other soft currency areas (which, in reality, are almost gifts).

Increased agricultural sales to Western Europe represent one of the best opportunities for improving the U.S. balance of payments. But now it seems that just the reverse is likely to happen. The European Economic Community shows no inclination to negotiate lower trade barriers for farm products, preferring to discuss reciprocal industrial concessions—an area in which it enjoys some advantages.

Can anyone imagine the Secretary of Agriculture seeking at a public hearing to justify his findings regarding stockage objectives based upon his estimate of a decline in imports to Common Market nations, and not having someone at those hearings make sure that the Secretary knows that we in the Congress intend to see to it that the President and his negotiators use the retaliatory powers that we have given him?

I continue to read from the article to which I referred:

The high tariff and trade restriction policies followed by much of Western Europe result in farm prices substantially above world levels. The United States, Canada and other exporting nations prefer the British low tariff policy. (The British treasury makes payments to domestic farmers to raise their incomes to a satisfactory level.) But, ironically, the United States follows internal policies resembling those of the Common Market.

The objectives of EEC's common agricultural policy, stated in broad terms in article 30 of the Rome Treaty, are to—

Increase agricultural productivity through technological progress.

Insure a fair standard of living for the agricultural population.

Stabilize marketing.

Guarantee regular supplies.

Insure reasonable consumer prices.

During 1961 much attention focused on ways to implement these somewhat conflicting objectives. Agreement on a common agricultural policy permitted the Common Market to move into the second stage of its economic integration program in January 1962. After marathon negotiations, an agreement was reached which was not precise and postponed many specific decisions on individual commodities. There was much discussion as to whether this agreement was inward- or outward-looking. In retrospect it is clear that it does not extend across the Atlantic, even though in some respects it does look southward across the Mediterranean.

Broadly speaking, farm commodities are grouped into four categories:

Commodities whose prices are protected both through external tariff and domestic programs. This category includes feed grains, rice, sugar, and dairy products.

Commodities whose prices are protected primarily by tariffs include beef, pork, poultry, and eggs.

Commodities assisted primarily through

internal marketing programs and production adjustment include fruit, vegetables, and wine.

No special measures will be taken with regard to commodities not produced within the market, at least not in appreciable quantities. Existing tariffs will be modified for some products while others will be on the free list. These products include cotton, soybeans, oilseed, meal, hides, skins, coffee, and cocoa. Certain African countries are expected to receive special trade benefits for some products. The importation of tobacco will continue to be governed by a complex procedure.

Let no one be fooled. No special measures will be taken with respect to soybeans, because recommendations have already been made, particularly by representatives from France, to see to it that preferential treatment is granted to butter, or that excise taxes are placed on soybean products, so that there will not be so much differentiation between margarine and butter.

This could have a very deep impact on our soybean exports to Common Market nations.

I continue reading:

Exporting nations are worried by the provisions governing the first two groups of commodities. The controversial variable tariff will be applied to most of the products in these two categories. Furthermore, export subsidies may be paid on some products if and when supplies are excessive, and import certificates may limit imports when internal market intervention is necessary.

The basic protectionist procedures begin with the establishment of an internal target price. Common Market authorities expect to maintain this target price, plus or minus 5 to 10 percent, regardless of world conditions, and will buy domestic agricultural products, if necessary, to maintain it.

Since target prices generally are or will be substantially above the world level, imports must be controlled. This is to be done by applying a fee (variable tariff) sufficient to raise the price of the imported commodity to or slightly above the internal target price. If world prices decline, the variable tariff would be increased.

As a result, improved efficiency and expanded production outside the Common Market increase the amount of trade restrictions (and the tariff revenue) of the Common Market. On the other hand, increased efficiency and productivity inside the Market reduce the volume of imports. This procedure assures that European farmers, but not outside producers, will benefit from technological progress.

A trade agreement cannot reduce a variable tariff. Instead, it becomes necessary to negotiate a lower internal target price, which implies foreign intervention in domestic policy. The frustrating aspects of this problem led both Agriculture Secretary Orville Freeman and Under Secretary of State George Ball to protest to EEC ministers.

The Secretary of Agriculture protested in very vigorous language. For this he is to be praised. The only trouble is that it takes more than vigorous language to do the job which is facing us.

I continue:

Before discussing in detail policies on individual commodities and their effect on the United States, it is useful to examine several issues which will affect the decision-making process. Among these are the extent to which the Common Market looks outward and contributes to a stronger Atlantic and free world community; the willing-

ness of European consumers to pay substantially more than world prices for bread and livestock products; the priority to be given the reorganization and restructuring of European agriculture, the extent to which Common Market agricultural output can and will increase, and the lack of clarity in the U.S. agricultural and trade policy.

I ask Senators to note that, Mr. President. The "lack of clarity in the U.S. agricultural and trade policy" is mentioned. This is another reason why I think my amendment should be adopted, so that we can determine how clear is the U.S. agricultural and trade policy with respect to stockage objectives.

Continuing the article:

Perhaps the Common Market is not paying sufficient attention to past mistakes in U.S. agricultural policy, while we are failing to appreciate the extent to which Western Europe is following our example in increasing technology and expanding production.

Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

Mr. MILLER. Mr. President, I continue to read from the article:

While EEC uses external tariffs to concentrate economic growth within its borders, a rapidly expanding U.S. economy could induce the Common Market to look outward. EEC will be more protectionist in agriculture than in industry, whatever overall trade policy it may adopt. Ever since the high Smoot-Hawley Tariff of 1930 and the Great Depression, Europe has had a maze of agricultural regulations and programs. The very fact that six nations were able to negotiate successfully a common agricultural policy is amazing—and they have little bargaining room left.

Closely related is the question of consumer prices. By and large, the new farm policies will raise food prices above the previous average level. Incomes of consumers are expanding with economic growth. Thus, for many, the increase in food prices is not a serious problem. But will pressure grow to reduce food costs if the boom tapers off? Perhaps labor groups can find broad support by protesting that some food prices are a third higher than in Britain, but this seems unlikely.

Another related question is that of agricultural adjustment. In Western Europe many farms are small and consist of scattered strips of land. A great many farmers work their land with horsedrawn equipment and adhere to outmoded farming practices. Small holdings are interspersed with large, technically advanced, mechanized and efficient farming units. Past policies were geared to the needs of the numerous small farmers.

But can the Common Market afford a high cost agriculture? About 20 percent of its people are now engaged in farming. The percentage varies considerably from one country to the other, ranging from 7.5 percent in Belgium-Luxembourg to 33 percent in Italy. The U.S. percentage, of course, is close to that of Belgium. If Common Market policy encouraged lower food prices, spending for industrial goods and services would be larger, and the growth rate could reach higher levels.

In this connection, I point out that the cost of land in Common Market countries ranges up to \$1,000 an acre. It is evident that feed grains cannot be grown on land costing \$1,000 an acre in competition with feed grains grown in the United States.

I continue to read from the article:

The American experience has shown that the farm population moves to the city when urban jobs are available. Thus present overemployment offers the Common Market a unique opportunity to reorganize its agriculture. While Europeans are aware of the need for changing their farm structure, they are far more concerned with price schemes to protect the farmer. The adjustments which are occurring are taking place almost in spite of Common Market policies.

I do not have much time remaining, but I point out that we in the United States are not desirous of meddling in the internal affairs of Common Market nations. We are desirous of expanding our trade, and we want them to join with an expansion of their trade. The basic concept of the trade bill which was passed with a strong bipartisan vote a year ago was that as our economy grew and as their economies grew, both could grow in harmony and partnership.

But not long after the President of the United States offered his trade bill to the Congress, accompanied by a fine statement regarding objectives, and with optimistic words regarding improved agricultural exports from the United States to Common Market nations, the Common Market commissioners adopted a policy of self-sufficiency in agriculture. Not long after that Mr. de Gaulle exercised a veto against Britain's entry into the Common Market.

Things are going from bad to worse. Not long ago a leading economist at Yale University prophesied that if things continue the way they have been going we can look forward to a complete elimination of our exports of feed grains and wheat to Common Market nations. This will happen unless we do more than make vigorous statements on the subject.

We have given to the President of the United States and his negotiators retaliatory powers. There are other powers which can be used. It seems to me it is about time for these powers to be exercised.

My amendment would have the Secretary of Agriculture come forth with a statement of stockage objectives, showing the basis upon which those stockage objectives were determined. This would include a statement as to how much such stockage objectives are affected by our foreign exports, including exports to Common Market nations.

I think the amendment would add a great deal to the bill. I think the amendment should have been put in the law a long time ago, but it is never too late for improvement.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. Mr. President, I shall not detain the Senate very long.

I do not suppose there is a department in our Government that keeps better statistics than does the Department of Agriculture on farm production, not only in the United States, but also all over the world. Through the Department of Commerce, we are able to obtain figures on production in various countries. It

seems to me the Department of Agriculture is well able to declare, on its own, the amount of corn, or other feed grains, cotton, or any other commodity necessary to meet national emergencies.

The pending amendment seeks to make it obligatory on the part of the Department of Agriculture to consult with the Secretary of Defense, the Secretary of State, the Secretary of Health, Education, and Welfare, and then have published in the Federal Register his proposed findings of the quantity, in bushels, of each of the feed grains which he finds necessary to meet any national emergency.

I have no doubt that there are many big-eyed administrators in the Defense Department, as well as in the Department of State and in the Department of Health, Education, and Welfare, who would want to set aside much food for emergencies which may never come. I have no doubt that, if the policy advocated by my good friend from Iowa were pursued, it would mean that the surpluses we have on hand now would evaporate—but on paper only. They would still be present. A huge amount of cotton, corn and other feed grains, as well as wheat, would be stored away, if the Department of Defense and the Department of Health, Education, and Welfare and the State Department should take the position that it is necessary, to meet the necessities of possible war, or of an emergency that we cannot quite foresee now, or which may come to pass in the future, that certain large quantities of commodities be stored.

I believe the Secretary of Agriculture has in the past been able to decide most accurately the amount of food or fiber necessary to meet our needs.

As to all commodities except corn and other feed grains, it is provided that the Secretary of Agriculture must take into consideration domestic use, export, and a certain percentage for carryover. He does so every year. It seems to me that it would be foolhardy to require these three Departments of Government to give him assistance. Where in the name of commonsense would the Secretary of Defense get his information in order to decide how much food was necessary? He would certainly have to consult the Department of Agriculture. The same thing is true of the Department of State and the Department of Health, Education, and Welfare. Therefore, I believe the authority should remain where it is now.

I am hopeful the amendment will be defeated.

Mr. MILLER. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. MILLER. I am sure the Senator from Louisiana is aware of the fact that my amendment would not compel the Secretary of Agriculture to consult the other department heads.

Mr. ELLENDER. The amendment is not necessary in order for him to consult. He can do that now.

Mr. MILLER. Yes; but under my amendment he would have to come for-

ward and make a finding and a determination, which he has not made yet; and we are entitled to that, I think, if we are to legislate realistically in this field. The Senator talks about surpluses, but I ask him, How do we define that term?

Mr. ELLENDER. There are many persons in our country who would like to hide these surpluses away for such emergencies as my good friend from Iowa discusses, but the surpluses would still be there. They would be dangling over the markets and would affect prices.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment of the Senator from Iowa [Mr. MILLER]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Wyoming [Mr. MCGEE], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I further announce that, if present and voting, the Senator from Nevada [Mr. CANNON], the Senator from Wyoming [Mr. MCGEE], the Senator from Maine [Mr. MUSKIE], and the Senator from Georgia [Mr. RUSSELL] would each vote "nay."

On this vote, the Senator from Utah [Mr. MOSS] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Utah would vote "nay" and the Senator from Colorado would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], and the Senator from New Jersey [Mr. CASE] are necessarily absent.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Utah [Mr. MOSS]. If present and voting, the Senator from Colorado would vote "yea" and the Senator from Utah would vote "nay."

The result was announced—yeas 27, nays 65, as follows:

[No. 86 Leg.]

YEAS—27

| | | |
|---------|---------------|----------------|
| Aiken | Fong | Miller |
| Beall | Goldwater | Morton |
| Bennett | Hickenlooper | Pearson |
| Boggs | Hruska | Prouty |
| Carlson | Javits | Saltonstall |
| Cotton | Jordan, Idaho | Scott |
| Curtis | Keating | Simpson |
| Dirksen | Kuchel | Tower |
| Domnick | Mechem | Williams, Del. |

NAYS—65

| | | |
|--------------|-----------|--------------|
| Anderson | Edmondson | Johnston |
| Bartlett | Ellender | Jordan, N.C. |
| Bayh | Engle | Kefauver |
| Bible | Ervin | Kennedy |
| Brewster | Gore | Lausche |
| Burdick | Gruening | Long, La. |
| Byrd, Va. | Hart | Long, Mo. |
| Byrd, W. Va. | Hartke | Magnuson |
| Church | Hayden | Mansfield |
| Clark | Hill | McCarthy |
| Cooper | Holland | McClellan |
| Dodd | Humphrey | McGovern |
| Douglas | Inouye | McIntyre |
| Eastland | Jackson | McNamara |

Metcalf
Monroney
Morse
Mundt
Nelson
Neuberger
Pastore
Fell

Proxmire
Randolph
Ribicoff
Robertson
Smathers
Smith
Sparkman
Stennis

Symington
Talmadge
Thurmond
Williams, N.J.
Yarborough
Young, N. Dak.
Young, Ohio

NOT VOTING—8

Allott
Cannon
Case

Fulbright
McGee
Moss

Muskie
Russell

So Mr. MILLER's amendment was rejected.

Mr. ELLENDER. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HICKENLOOPER. Mr. President, I call up amendment No. 77 and ask that it be read. Prior to its being read, I ask unanimous consent that the Senator from Florida [Mr. HOLLAND] be permitted to join as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, line 13, it is proposed to change the period to a colon and add the following: "Provided, That such portion shall in no case exceed the portion that was made available through payments in kind for the 1963 crop of any feed grain."

The PRESIDING OFFICER. On this amendment, there is a 2-hour limitation of debate, the time to be divided equally between the proponents and the opponents of the amendment.

Mr. HICKENLOOPER. Mr. President, I can give no assurance, but I am not certain that the full 2 hours will be used. However, there is a limitation of debate of 1 hour on each side of the amendment.

Section 105(c) (5) of the Agricultural Act of 1945, as amended by the Food and Agricultural Act of 1962, authorizes the Secretary, for the 1963 crop year, to make available to producers through payments in kind 18 cents a bushel of the price support—

Mr. YARBOROUGH. Mr. President, will the Senator from Iowa yield for a question?

Mr. HICKENLOOPER. I yield.

Mr. YARBOROUGH. We on this side of the aisle could not hear what the Senator said. Is the discussion on the amendment or on the bill?

Mr. HICKENLOOPER. The discussion is on amendment No. 77. I may say, for the information of the Senator from Texas and other Senators that other amendments will be offered before the bill itself is debated. There is one amendment which is very vital to the bill, and it will be taken up after we have finished discussing some of the other amendments that have been voted down so cavalierly.

I think there is a fatal defect in the bill. It must be corrected, or something will happen. I shall discuss that in due course, so that there will be no question about it when I call the amendment up.

I shall begin my statement again.

Mr. RANDOLPH. Mr. President, before the learned Senator from Iowa begins again, will he yield?

Mr. HICKENLOOPER. I am delighted to yield.

Mr. RANDOLPH. It is my hope that I shall ask a proper question.

Mr. HICKENLOOPER. In my experience, the Senator from West Virginia never asks an improper question.

Mr. RANDOLPH. I am very grateful to my colleague. Is there a filibuster of any nature or any degree in the making?

Mr. HICKENLOOPER. Not that I am aware of.

Mr. RANDOLPH. I appreciate that statement. In certain sources it has been indicated that the discussions were being unduly extended.

Mr. HICKENLOOPER. The fact is that there should be a vast amount of further discussion about the shortcomings of the bill and the failure to consider many of the things that should have been considered in the bill. I am sure there will be such a discussion. Instead of there being a filibuster on the bill, the discussion will probably fall far short of what it should be. But there is nothing in the nature of a filibuster contemplated, that I know of.

Mr. RANDOLPH. Mr. President, will the Senator further yield?

Mr. HICKENLOOPER. I yield.

Mr. RANDOLPH. The Senator's response is clarifying of the situation. The RECORD should not indicate that I had felt that the debate on the many amendments had not been, in all instances, so far as I know, relevant to the subject matter. I have attempted to follow the debate carefully. In fact, I have voted for one amendment offered by the minority in connection with the proposed legislation. It is vital to the democratic process that the Senate consider carefully this important agricultural bill.

Mr. HICKENLOOPER. I thank the Senator from West Virginia. His statement gives ample proof that some corrections should be made in the bill. The Senator from West Virginia has voted for some of the amendments that have been offered, but which have been repeatedly and systematically defeated by majority votes.

With regard to the question about a filibuster, which the Senator raised—a question seriously raised on his part, but which I notice created some snorts and chuckles in certain selected areas, when he asked the question—I do not believe anybody could even suspect that there would be a filibuster, when there is a limitation of 1 hour, agreed to earlier, on each amendment to the bill, except one. That limitation has been strictly adhered to. Some of the amendments have not even required the use of the allocated time, or the time available. So if there is any attempt to filibuster, it certainly is not manifested in this area of the Chamber.

The debate on this amendment, because a number of Senators are interested in it, may require a little longer; that is why an exception was made, at the time the limitation of debate was agreed to, so as to provide 1 hour on

each side of the amendment. Be that as it may, I shall proceed with a discussion of the amendment.

Section 105(c) (5) of the Agricultural Act of 1945, as amended by the Food and Agricultural Act of 1962, authorized the Secretary, for the 1963 crop—that is, the crop for this year—to make available to producers, through payments in kind, 18 cents a bushel of the price support for corn, and a comparable amount of price support for grain sorghums and barley.

The original provision would have limited the Secretary's discretion to the portion of the price support for corn and other feed grains which he could provide through payments in kind. Such payments could not exceed the portion provided for in the 1963 crop; that is, 18 cents for corn, and a comparable portion for grain sorghums and barley, and no portion for rye or oats.

The reason why the amendment is necessary is that by means of the bill the committee has voted to remove, and the Congress proposes to remove, the 18-cent limit, which in the past has been considered essential and necessary. So far as I can ascertain, under the bill the sky would be the limit; the Secretary of Agriculture could, under the provisions of the proposed legislation, set the price-support payment at whatever amount he might want; under the bill he would not be limited or inhibited in that respect.

This amendment merely provides that he cannot exceed 18 cents a bushel for corn, the limitation which has been in effect for years, and that he must retain the ceiling under which he has worked for the last several years.

That amendment was resisted in the committee. Why it was resisted, I do not know. It was said that the Secretary does not intend to go beyond 18 cents a bushel. If so, what is the harm in providing this limitation, which already applies to the 1963 crop? If he does not intend to exceed it, why give him the right to exceed it?

So far as I know, I do not know that he asked for the right to exceed it; but the bill gives him that right, and I assume that is a part of the plan and program of the Department of Agriculture. So there is some mysterious reason why the 18-cent limitation was omitted from the bill this time. This amendment proposes to restore the 18-cent limitation.

This is the "gimmick" in this provision, as it has operated: Farmers, for instance, have been told—and from a basic standard it is correct—that they have been getting a \$1.25 support price for their corn. But 18 cents of that has been a payment in kind, under the existing provision. When the Secretary of Agriculture undertakes to dispose of the corn at 105 percent of the loan price, plus carrying charges—which is in accordance with the law—does he use the figure \$1.25 when he fixes the price? No; he knocks 18 cents off the payment of the so-called support price, and calls it \$1.07, and proceeds on that basis; and thus he has been able to accomplish what he and his chief deputy testified

before the committee, when the prototype of this bill was brought up several years ago; namely, that he was going to keep open-market corn down to \$1 or below. That is what he has done; and it has been a deliberate manipulation by the Secretary of Agriculture, who, during this period of time, has kept the price of corn on the farm at \$1 or below. That is one of the devices he has used in order to punish the farmers if they did not put on the halter and follow where he led.

By means of this bill—for some strange reason—it has been decided to remove the 18-cent ceiling. As a result, the Secretary could set the loan rate at 50 cents a bushel and the compensatory rate at 75 cents a bushel, if he wished to do so; or he could cut down to practically nothing any of the supports in kind, and could put the production supports all the way up.

In short, this is one of the most deceptive provisions to be found in the bill; and the 18-cent limitation is omitted for a purpose.

So I see every reason why we should set the ceiling at exactly the level it was last year and exactly at the level where it is this year. I see every reason why we should retain it as it was, or at an even higher point; and there is all the more reason for retaining it in view of the fact that the Secretary is alleged to have said—although, Mr. President, I should not say it is alleged, because some members of the committee stated it as a fact, and I should take their word for it—that he would not use the 18 cents, that he would not go that high. If so, what is the harm in providing in the law that he may not go higher than that?

I can recall times when department heads have come before congressional committees and stated that certain actions would not be taken by their departments; and, following such testimony, Congress enacted certain laws on that basis. But in a short time, diametrically the opposite action was taken by the department—action contrary to what the department heads said they would take, when the bill was being considered by Congress. I have seen that happen. So I do not think there is the slightest excuse for not restoring this ceiling on the production payment to the level at which it was set for this year's crop and for the crop before that.

Mr. LAUSCHE. Mr. President, will the Senator from Iowa yield for a question?

Mr. HICKENLOOPER. I yield.

Mr. LAUSCHE. I should like to enlarge somewhat on the point about the discretionary power proposed to be granted the Secretary of Agriculture as regards ultimately determining exactly what shall be done. I am alarmed about the trend toward abdication by Congress of its power and the surrender of its power to the Executive. My thinking is in accord with what the Senator from Iowa has been stating.

Am I correct in understanding that if the bill, as it now stands, is enacted, there will be vested in the Secretary of

Agriculture the discretionary power to determine, first, whether the feed-grains diversion program shall go into effect?

Mr. HICKENLOOPER. There is; yes, indeed.

Mr. LAUSCHE. Very well.

Second, to determine the level at which feed-grain prices are to be supported, with a range of 65 to 90 percent of parity?

Mr. HICKENLOOPER. I think the Senator from Ohio is correct in making that statement.

Mr. LAUSCHE. Third, the percentage of base acreage up to a maximum of 50 percent, which a producer must divert, in order to participate?

Mr. HICKENLOOPER. I think that is correct. That is my understanding.

Mr. LAUSCHE. And fourth, the portion of the support price that is to be made available through compensatory payments to producers?

Mr. HICKENLOOPER. That is correct; that is a condition of the bill.

Mr. LAUSCHE. The last item is the one the Senator from Iowa has been discussing; is it not?

Mr. HICKENLOOPER. Yes.

Mr. LAUSCHE. I understand that the Secretary of Agriculture has said that the compensatory payment shall be between 10 and 15 cents.

Mr. HICKENLOOPER. I shall have to find in the hearings the exact statement. On the point of the compensatory payment, I wish to read from the hearings at page 104. About the middle of that page, or slightly below that point, it will be found that I was discussing the matter with the Secretary, at the hearings, as follows:

Senator HICKENLOOPER. Now, I note with some concern, because of its uncertainty, a provision in the bill before us, H.R. 4997 passed through the House, that you, as Secretary—

I was speaking to Secretary Freeman—

have complete discretion to decide how much of the payments will be compensatory or, let's say, Brannon-type payments, and would you agree that the bill, as passed by the House, would, for instance, permit you to set the loan rate at 50 cents a bushel and the compensatory rate at 75 cents a bushel if you wanted to?

I am not asking you whether you would or not, but I say, would it permit you to do so?

Secretary FREEMAN. I believe so.

Senator HICKENLOOPER. Would it permit you to set the loan rate at zero a bushel and the compensatory payment at 25 cents a bushel or a dollar or something else?

Secretary FREEMAN. I think so.

Senator HICKENLOOPER. You would have that discretion from zero to basically whatever you wanted to put it?

So you could go to zero if you were so minded?

Secretary FREEMAN. The mix between the acreage diversion payments and the price support payments is intentionally left rather broad for reasons that I related in response to the question from the Senator from Delaware this morning.

Mr. LAUSCHE. Does that mean, then, that, notwithstanding the law that was enacted with respect to the several categories which I identified, ultimately the decision as to what is to be done is left

to the mind of the Secretary of Agriculture?

Mr. HICKENLOOPER. That is the great danger of the bill. In effect, the bill is one of the first big steps in the field of agriculture toward an agriculture program of men rather than laws. It rests the broadest discretion in the whim or caprice of the Secretary of Agriculture of any farm program that has ever been enacted. It is dangerous. Farmers should realize what they are walking into. They are walking into a program which would put their entire economic well-being under the control, dictation, and whim of the Secretary of Agriculture through the discretion granted in the bill.

I do not care who the Secretary of Agriculture is. I give everyone credit for the best of intentions until it is proven otherwise. I do not care who the Secretary of Agriculture is. It is too much power to give any administration in this country over a great segment of the American economy, especially a segment as vital to the well-being of our country as is the food-producing and agriculture economy.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. LAUSCHE. At one time I taught the subject of equity in law school. The historic ancient principle was that a chancellor or a judge in equity was not guided by any law but decided issues on the basis of good conscience. So we must depend upon the conscience of the chancellor.

Finally one chancellor said:

That is a sort of cockeyed way of issuing rulings. The consciences of chancellors differ as do their toes: Some are large, and some are small.

I desire to express my concurrence with what the Senator from Iowa has said. I do not care how good the supposed conscience of the Secretary of Agriculture is. Such inordinate power ought not to be placed in his mind and in his hands. He may think that he is doing good according to the scale that he fixes. But the fact may be that he is doing bad.

I submit that if the maxims that we see inscribed on the friezes of our courthouses mean anything, we must have a government of laws and not a government of men.

Mr. HICKENLOOPER. I thank the Senator from Ohio. As usual, he is correct. His perception is absolutely correct in this matter.

This is a farm bill which is to be administered by a man who is not closely controlled by legal limitations or delimitations of his authority. He is not elected by the people of this country. He is an appointed official, and under the proposed legislation, he could control the whole economy at his discretion. Such power is dangerous.

Mr. LAUSCHE. It is dangerous far beyond the general understanding of the people of our country.

Mr. HICKENLOOPER. There is no question about it.

I would not feel as deeply about the proposed legislation if it had specific guidelines which would direct the Secretary of Agriculture what to do, even though I disagreed with the guidelines, provided they were limitations on his authority.

But the ominous thing about the bill is the vast extent of discretion which would be lodged in a man to play upon the agricultural economy of our country, as a person would play a piano. If he can play it well, he makes sweet music. If he cannot play well, the piano sounds awful because the discords ruin the harmony.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. AIKEN. I was much interested in the colloquy between the Senator from Ohio and the Senator from Iowa regarding the risk to be run in entrusting our economic welfare, or even matters affecting our health, to the mind of one man, or to one man and his advisers. I realize that the administration is very insistent on getting what it calls supply management applied to agricultural production in our country, and that the bill which we are now considering is an integral part of the overall plan.

However, I point out what the record of the administration has been in regard to one commodity. Under the sugar legislation the Secretary of Agriculture is required to estimate the needs of the people of the United States for sugar. He then decides, through controlling the amount of sugar which can be processed and sold by the plants, the acreage that may be planted to beets and, in effect, where the beets may be planted. He also controls how much may be planted to cane and where it may be planted. Recently he has allotted more to the output and processing of cane, although I hope the Secretary knows that it takes 15 to 18 months to produce that cane. Anyway, his estimates have turned out to be very wide of the mark. In today's issue of the Journal of Commerce we read the following:

SHORT SUGAR SUPPLY SEES PRICES SOAR

Refined sugar prices shot higher again in the wake of continued scarcity of world supplies and sharp advances in the raw commodity in both cash and futures commodities.

The latest round of increases, 12th this year, were led by American Sugar Co. which announced a 75 cents per 100 pounds hike, effective the opening of business yesterday in all of its marketing areas.

FOURTEEN DOLLARS AND TWENTY CENTS A HUNDREDWEIGHT

This brought the price for the key industrial grade in 100-pound paper bags to \$14.20 per 100 pounds in the New York area and to \$14.30 per 100 pounds for that category in the Northeast. In other areas served by the company, the 100-pound paper bag price will become \$14 per 100 pounds. On Monday some gulf refiners increased prices 75 cents per 100 pounds to the \$14 per 100 pounds level.

By early afternoon yesterday the latest hikes were becoming industrywide at National Sugar Refining Co. and Sucrest Corp. also increased prices by the same amount.

Refined sugar prices have now risen \$4.40 per 100 pounds since the beginning of the year. The raw spot price earlier this week rose to \$11 per 100 pounds, delivered, also an advance of \$4.40 per 100 pounds since the beginning of the year.

HIGHEST SINCE 1920

The new levels are the highest since the period September 16-21, 1920 when refined sugar prices reached \$14.50 per 100 pounds in the New York area.

In other words, in 2 years' time the supply management process as applied by the Secretary of Agriculture has increased the price of raw sugar from \$6.48 a hundred pounds duty paid in New York to \$11.25 a hundred pounds, an increase of 73 percent. The price of the refined sugar has increased since 2 years ago this month from \$9.40 per hundred pounds to \$14.20, according to the Journal of Commerce report this morning, an increase of 50 percent.

And it is still going up. That is the effect of supply management as administered for one commodity with respect to which the Department has authority to administer the law. Now it is sought to apply the same line of reasoning, which has failed so completely, to feed grains and, through feed grains to all animal products; poultry, beef, pork, and dairy products. It is sought to apply it to wheat, and to everything else that grows.

I do not think it would be farfetched if we should say that the consumers would be hungry in a few years if we permitted departmental officials to have the same authority over all commodities which they have had and have applied so devastatingly to our sugar program.

Mr. ELLENDER. Mr. President, will the Senator yield to me on my time?

Mr. LAUSCHE. My suggestion is that instead of assembling and spending our time debating, if we are going to extend such powers to the administration we should not meet at all to discuss these matters. Tell the administration what is to be done, and let us have a one-man rule.

Mr. AIKEN. I think the administration has demonstrated what it would do with the additional authority.

Mr. HICKENLOOPER. Mr. President, I am happy to have the Senator from Louisiana speak on his own time, to the Senator from Vermont if he so desires.

Mr. ELLENDER. Mr. President, I am sure the distinguished Senator from Vermont does not wish to be unfair about the price of sugar.

Mr. AIKEN. No.

Mr. ELLENDER. That is not due to management, as the Senator knows.

Mr. AIKEN. To what does the Senator credit it?

Mr. ELLENDER. The Senator knows that our primary offshore source for production of sugar was Cuba.

Mr. AIKEN. That is correct.

Mr. ELLENDER. That is where we got the sugar.

Mr. AIKEN. Yes.

Mr. ELLENDER. As the Senator knows, very little sugar now comes from Cuba to the United States.

Mr. AIKEN. That is correct.

Mr. ELLENDER. The Senator knows there has been a great shortage of sugar.

Mr. AIKEN. That is correct.

Mr. ELLENDER. There are many "pigs" in the business abroad, holding back sugar.

Mr. AIKEN. Exactly.

Mr. ELLENDER. There is a scarcity; and that is what has made the price go up, rather than management, to which the Senator referred.

Mr. AIKEN. Yes, indeed.

Mr. ELLENDER. That is silly.

Mr. AIKEN. The Senator has proved my point completely. The production of sugar in Cuba has fallen off approximately one-half, or nearly 3 million tons this year. Five years ago Fidel Castro applied the supply management process to the agricultural commodities of Cuba. That is what I am talking about. If we want to be like Cuba, why not adopt the Cuban form of government and let it go at that? That is the reason there is a shortage.

Mr. ELLENDER. Mr. President—

Mr. AIKEN. Because Cuba's production is only half of what it used to be, when Cuba had a free economy.

Mr. ELLENDER. The Senator knows that as of today Florida and Louisiana are the only cane sugar-producing States in the Union.

Mr. AIKEN. That is correct.

Mr. ELLENDER. They plant about all they can plant now. The beetgrowers could plant some more, but they do not have the facilities with which to process the beets.

I know that we could produce more sugar, but we are not ready for that. The point I am trying to make is that, in my opinion, the reason why the price of sugar went up was solely the shortage of sugar abroad.

Mr. AIKEN. Of course it is short.

Mr. ELLENDER. As the Senator well knows, we produce in the continental United States about 32 percent of our requirements. We must depend on off-shore production.

Puerto Rico is almost out of production now. It is expanding so much industrially that it has given up many sugar-producing lands. Hawaii is in the same position. It is not producing what it could. It is developing industrially. It is building homes, and much good sugar land is being used for that purpose.

Let us put the reason where it belongs; that is, on the shortage of production rather than on management, to which the distinguished Senator from Vermont referred.

Mr. AIKEN. I could not disagree with the distinguished Senator from Louisiana that the sugar shortage is due to a shortage in the production of sugar abroad, but it is also due to the fact that the Secretary of Agriculture will not let the American farmer produce sugar in sufficient quantity to make up the shortage.

Mr. ELLENDER. The Senator can blame the Congress for that.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ELLENDER. The Senator can blame the Congress for imposing a limitation.

Mr. AIKEN. The Congress did not estimate the amount of sugar which would be required by the people of this country. The Secretary does that.

Mr. ELLENDER. But Congress fixes the amount to be planted in Louisiana. Congress fixes the amount to be planted in Florida. Congress determines how much can be planted by sugar-beet growers.

Mr. AIKEN. No.

Mr. ELLENDER. The Senator knows that.

Mr. AIKEN. The Congress has been very negligent in regard to sugar legislation, but only last week the Secretary assigned to Florida and to Louisiana, the cane-producing States, authority to market about 60,000 tons more a year. Does the Secretary expect them to do that overnight? As I understand, it requires 14 to 18 months to produce a crop.

Mr. CARLSON and Mr. LAUSCHE addressed the Chair.

Mr. AIKEN. I have been using the time of other Senators, but this is important, because it is a striking example of what supply management may do in the hands of people who are not infallible.

Mr. ELLENDER. Mr. President, I yield no more time.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HICKENLOOPER. Mr. President, up to this point the time, I assume, was the time of the Senator from Louisiana. I merely wish to get the time straightened out. We are now on my time.

Mr. GOLDWATER. Mr. President, will the Senator yield to me so that I may ask the Senator from Vermont a question?

Mr. LAUSCHE. I have a statement which fits what has been said, if the Senator will yield to me.

The PRESIDING OFFICER (Mr. BREWSTER in the chair). Does the Senator from Iowa yield; and, if so, to whom?

Mr. HICKENLOOPER. I yield first to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I should like to ask the distinguished Senator from Vermont a question relative to the subject of sugar. Am I correct in stating that sugarbeets were under some control up until this year?

Mr. AIKEN. They are still under control. The Secretary determines the amount of sugar a plant may produce and market, and that indirectly controls the amount of sugarbeets which can be planted.

Mr. GOLDWATER. For many years Arizona was a large sugar-producing State. For years we have been trying to get permission to plant beets. I think the Senator's remarks were quite correct. Cuba is a fine example of what we can expect.

I agree with my friend from Vermont that what we are seeing in Cuba today is something we might well see in the United States in 4 or 5 years, if we do not get agriculture out from under this crazy agricultural program.

Mr. AIKEN. What we see in Cuba to-

day is exactly what we will see in the United States if we give this New Frontier management all the authority for which it is asking, because it is asking for the same authority which has brought Cuban sugar production down to the present unenviable level.

Mr. GOLDWATER. I have one further point, Mr. President. The Senator from Louisiana has rightly recognized that an imbalance in the market today has caused prices to take an unusually fast rise. This imbalance in the market, I suggest, is caused by the fact that we have not allowed our sugar to be produced under free markets.

Mr. AIKEN. That is correct. The Secretary estimated the requirements of the country so far short of the actual needs that there is not sugar enough to go around, and nobody knows where the price will go.

Mr. GOLDWATER. I thank the Senator.

Mr. AIKEN. It is 73 percent above what it was 2 years ago, when the present management took over the handling of sugar legislation.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield to the Senator from Kansas.

Mr. CARLSON. I concur in the remarks made by the distinguished Senator from Vermont with regard to sugar production. The beet-producing areas of the Midwest—Kansas and adjoining States—could greatly increase their production, and would do so if permitted by quotas.

Mention has been made of the fact that there are not sufficient refineries. The reason why there are not sufficient refineries is that we do not have any assurance of continuous beet acreage year after year. If we are given some assurance of acreage, we can furnish more sugar.

Mr. HOLLAND rose.

Mr. HICKENLOOPER. Does the Senator from Florida desire to have me yield to him?

Mr. HOLLAND. Mr. President, at some time before the Senator from Iowa concludes, I should like to have him yield some time to me.

Mr. HICKENLOOPER. I am happy to yield to the Senator now.

Mr. HOLLAND. Mr. President, I ask unanimous consent that the Senator may be allowed to yield to me for 10 minutes, from his time, without losing his right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HICKENLOOPER. I have that right, Mr. President. I yield to the Senator from Florida.

Mr. HOLLAND. I thank the distinguished Senator.

Mr. President, I am proud to be a co-sponsor with the Senator of this particular amendment. The only reason why I asked for the privilege of the floor at this time is that I am scheduled to leave by plane between 6 and 7 o'clock for an engagement which I cannot cancel. I have been promised by the Senator from Louisiana that he would give me a live pair on votes taken after this, which

I appreciate. He has been most gracious to me. But I may not have time to complete the argument before the vote is taken.

I think this amendment is the critical one in this whole discussion, because it strikes at the great departure in this bill from the course in all other bills that have been considered on the floor of the Senate since I came to this body 17 years ago, and I have been a member of the Agriculture Committee during most of that time.

The particular provision at which this amendment is directed would give unlimited authority to the Secretary of Agriculture to fix the compensatory payments, or bonus payments, or production payments, whatever one may call them, independent from the actual price support loan, at any amount he sees fit between zero and the maximum stated in the bill for price support; and that maximum is 90 percent.

There is no doubt about that. The bill so provides. The Secretary of Agriculture so stated in his testimony, not once, but several times. I am not going to repeat all the quotations from his testimony which I placed in the RECORD the other day, but merely to show that what I have said is strictly true, let me quote this much from page 105 of the hearings:

The Senator from Iowa [Mr. HICKENLOOPER] said:

Now, do you think that that complete discretion, from zero on up, is the kind of a discretion that really Congress ought to lodge in a Secretary?

Secretary FREEMAN. I think the bill contains a modest discretion when it is considered in terms of the four corners of the law, the development of this program, the new dimension to which it will move when we have eliminated surpluses * * *.

The pattern of activity, under a farm program, is rather certain. The legislative history is quite clear, and —

And I call attention to these words of the Secretary—

it would seem to me that this is, by no stretch of the imagination, excessive discretion under the circumstances.

Again:

Actually—

Says the Secretary—

the support price in this bill is between 65 and 90. And then the payment part in connection with that support price where previously it was 18 cents is left to the discretion of the Secretary, which is the only change.

And so this is actually not a very significant change.

Then, skipping, and quoting a short statement, the Secretary said:

And I do not think that the increased discretion, in and of itself, is a great delegation of authority, by no means.

I think it is well within the normal congressional delegation of discretion.

Senator HICKENLOOPER. But you do advocate that this discretion be left with the Secretary as it is in the legislation?

Secretary FREEMAN. Yes, sir.

There is no doubt about the testimony. There is no doubt about the provisions of the bill. No Senator, whether an advocate or an opponent, would argue otherwise.

The Secretary and his advisers, who drafted the bill, had the able, skilled, and conscientious help of the chairman of the committee, who saw exactly what this situation was, and that this provision was even worse than the Brannan plan, because whereas the Brannan plan imposed some limitation as to the production on which these production, or bonus, payments could be made, the pending bill does not so provide. When the committee entered into this discussion, as has been shown already by what has been placed in the RECORD by the distinguished chairman of the committee, the Secretary wrote to the chairman stating that in 1964, the first year to be covered, he would want the committee to understand that 18 cents was the limit which he would want to use in connection with this authority; that he probably would want to use less than that, but that 18 cents was the limitation.

If I am incorrect in that statement, I shall be glad to be corrected. I do not have time to read the letter, but that was the sense of it. That applied to 1964. In committee the question arose as to what would apply to 1965.

So a second letter was written by the Secretary of Agriculture to the distinguished chairman of the committee, which, in my judgment, in so far as it could do so, committed the Secretary to follow the same limitation of 18 cents in 1965.

Of course, the Secretary knew, as we all know, that any limitation which he places upon himself will be observed, because he is an honorable man. But the Secretary is mortal, and there is no assurance that he will live out his term in this administration, although I hope he will live it out and many added years besides. There is no certainty that this administration will continue in 1965, and there is no assurance that the Secretary now serving will then be the Secretary.

Through the two letters obtained, through the able and effective request of the able chairman of the committee, we have as much of a commitment as the Secretary can make, to the effect that he does not intend to proceed under the unlimited discretion proposed to be given him by this bill.

In the first place, that is not a certainty, for the reasons I have already stated. In the next place, if the provision goes into this bill, it points to a path which we are just as sure as we can be will be followed when the next big commodity gets into trouble.

The Senator from Florida thinks there is a great error in this regard, which should be corrected before the bill goes on the statute books.

For that reason, the Senator from Florida joined in the presentation of this amendment in committee, and joins in it now, because he thinks this, and other corrective amendments which would accomplish the same purpose, are necessary for the preservation of anything like an American program of agriculture, because he does not regard this provision as one that is in that category. It is not in accordance with American precedents or any precedents in the agricultural program. It is, instead, an unbridled grant of authority to one man

in a vital matter, affecting hundreds of thousands of farmers, and millions of people throughout the Nation. I do not care how good a man he is. So far as I am concerned, the Secretary of Agriculture is a good man and would live up to his commitment, but I do not think the Congress of the United States, speaking for all the people of this great Nation, as well as for all the people in agriculture, should seriously consider granting such authority to any one individual, involving the power of life and death over every producer of feed grains, under this bill, if it were strictly followed, and over every producer of any other commodity to which the power might be extended.

Mr. President, make no mistake. This will not be the end of the subject if we ever give such unbridled authority one time for what is said to be protection for the producers of a certain commodity. We shall be asked time after time to do the same thing with respect to the producers of other agricultural commodities.

That is why I, for one, have felt so keenly that this bill is wrong. I say again that but for the efforts and the knowledgeable activities of the distinguished chairman of a great committee, with broad experience, who realized perfectly well that there was something which should not be in the bill, and who moved to get the two letters I have indicated, we would be in a situation in which we would not vote for the bill. I think no Senator would vote for it if he realized the serious implications of it.

Since I shall not be present later, I want to say that something of the same kind of authority is present in another part of the bill, in that it grants authority to the Secretary to impose a requirement that up to 50 percent of the feed grain acreage must be diverted by a producer before he comes under the program.

Again a wise head saw that this was going too far, and insisted upon a letter, and that commitment was also put in the letter which has been presented by the able chairman of the committee, stating that the Secretary will hold himself to 20 percent, which is similar to existing law, as a condition which must be imposed on a producer of feed grain for diversion of his acreage. He must divert 20 percent of his acreage now in order for him to have the other benefits of the bill.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HICKENLOOPER. I yield 3 more minutes to the Senator from Florida.

Mr. HOLLAND. I am sorry that I cannot speak at length on this measure, because I feel very keenly on it; and my feeling is not personal in any sense. I have no feeling against the Secretary of Agriculture, who I think is a distinguished and fairminded gentleman, who will live up to his commitment. He did not draw up this measure. I do not know who did. However, someone drew it who was anxious to put us upon the path of a completely controlled and regimented agriculture. He has almost done so insofar as the commitment

goes in that direction if the bill becomes law. Whoever did it is not proceeding under tried theories of agriculture, but is proceeding under an alien theory of complete control by one man of millions of American farm families throughout the country, and the other industries which depend upon them, such as livestock, poultry, dairying, and others.

This is a step of such great significance that I would not feel justified in doing anything less than calling attention to the fact that the pending bill contains devices giving unlimited discretion. I do not think it is sound or safe, or even thinkable, that we should go through with such a course on the floor of the Senate.

I conclude by again expressing my complete confidence in the Chairman of the Committee on Agriculture and Forestry. But for him we would not have had these letters. But for him we would not have had certain other concessions from the Secretary, which, so far as they can go, bind the hands of the present Secretary of Agriculture. I am sure he will live up to them. However, that does not cure the vices within the bill. That does not prevent the bill from laying down precedents for legislation, for which every Member of the Senate who votes for the bill will be answerable in the future.

The Senator from Florida will not vote for such a bill, even if he is the only one to cast a vote against it, because he believes it would point a way that is not American, not sound, and not democratic, and would not encourage a long established and sound principle in agriculture. Our free agricultural people have been among our finest and freest and most intelligent people. We are asking them to supinely give up control of their business. I do not believe we should do that. I hope the amendment will be agreed to.

Mr. HICKENLOOPER. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Iowa has 14 minutes remaining.

Mr. HICKENLOOPER. I thank the Senator from Florida for clearly and concisely pointing out some of the most flagrant and glaring defects in the proposed legislation. The Senator from Florida was extremely active in committee in trying to have these defects corrected. I believe he offered the basic amendment which I have offered today. I think it should be clear to everyone that the danger in the pending bill has been spelled out.

It was necessary to obtain a letter from the Secretary saying that he would not use the power that was considered to be too dangerous.

We contended in committee that if there is concern about unlimited discretion, protection should be written into the bill, instead of obtaining a letter to assure us against the abuse of discretion. We can protect ourselves by writing such protection into the legislation. We do not want to write any kind of restrictive legislation into the bill that is not already in existing legislation, that is, the

18-cent limitation on the production payments.

Anyone who examines this subject will no doubt come to the conclusion that protection should be written into legislation, especially if it is felt necessary to get a letter of assurance from the Secretary that he would not abuse or expand such discretion. Certainly there is no reason why it should not be written into the legislation, and there is every reason why it should be.

I now yield to the Senator from Wyoming [Mr. SIMPSON].

Mr. SIMPSON. Mr. President, never in my life have I heard such an impassioned and eloquent plea as the distinguished Senator from Florida has made. It is indeed unfortunate that it has been wasted on the desert air, because during the debate on the several amendments that have been offered, there have been present in the Chamber only one or two of the proponents of the bill, while the opponents of the bill have been doing their best to save the American farmer from the danger he will face if the pending bill is enacted into law.

I can only say that the proponents of the measure seem to be proceeding under the policy of, "Do not confuse me with the facts; my mind is made up."

It is too bad that more Senators could not have heard the plea of the Senator from Florida, because in my mind it was one of the greatest speeches ever made on the floor of the Senate. I have read the CONGRESSIONAL RECORD for many years, as a boy and after coming to the Senate.

I concur completely in what the Senator from Florida has said. The bill leaves too much power in the hands of one person. Too much power in the hands of the weak is tyranny. I am not saying that the Secretary of Agriculture will be tyrannical. However, under the provisions of the bill, if enacted into law, any one man would be too weak to administer the great program that is spelled out in it, which shackles the American farmer to the yoke of the Secretary of Agriculture.

I thank the Senator from Iowa for yielding time to me.

Mr. HICKENLOOPER. I thank the Senator from Wyoming. I reserve the remainder of my time.

Mr. ELLENDER. Mr. President, it is not my purpose to speak for a long time on the amendment. I did so in my opening remarks. What the proponents of the amendment and the opponents of the bill should realize is that the bill presents a completely voluntary program. No compulsion is involved. Farmers do not have to curtail their acres of corn, oats, rye, barley, or anything else unless they wish to do so.

Why was the figure of 18 cents placed in the bill last year? It was to protect those who cooperated with the program, and to avoid giving the full benefit of the \$1.25 support to noncooperators. It is now written into the law. I invite Senators to read, on page 3 of the bill, beginning with line 9 and going down to line 13, the following provision: "Secretary determines desirable to assure that the benefits of the price support and di-

version programs inure primarily to those producers who cooperate in reducing their acreage of feed grains shall be made available to producers through payments in kind."

Ordinarily, if the Secretary of Agriculture were to set price supports at \$1.25, the market price of corn might be \$1.24 or \$1.23, somewhat just below the support price.

Those who refused to cooperate would get the benefit of the high price supports. But as it is, the bill provides that cooperators shall receive supports in two ways: 18 cents payment in kind and the rest in support loans. That is all the provision means.

I say to opponents of the bill who talk about the wide powers given to the Secretary of Agriculture, my reply is that the Secretary has been exercising such broad powers ever since agricultural legislation has been on the books, beginning in 1933 and continued in 1938. I was a Member of the Senate when the original Triple-A Act was passed. In those acts, the Secretary had the right to fix price supports on soybeans and almost every other commodity from 0 to 90 percent. This is still the law. If he desired, he could also fix the acreage to be allocated and restrict supports only to those who cooperated. What is wrong with that? The Secretary must be given such authority in order to make the programs workable.

The present law was enacted in 1961. The objective then was to divert as much acreage as possible, so as to decrease the huge surpluses of corn and other feed grains that had accumulated over the years. It was necessary to have a program designed to attract as many farmers as possible, so as to get the widest diversion of acreage that could be obtained. But, as I pointed out in my opening address, the program has worked well. It has decreased surpluses. The surpluses now are not so acute as they were in 1960. At that time there were some 84 million tons of feed grains. It has been possible to reduce that amount to about 61 million tons. So in order to cause to be diverted a smaller number of acres the Secretary does not have to have as attractive a program. That is why we give him discretion to say whether the payment shall be 50 percent or the acres shall be cut 25 percent, 15 percent, or 20 percent. The necessity for a cutback in acreage, in order to obtain a further cut in surplus, is not so acute as it was when the program was first put on the statute books in 1961.

That is why it is necessary to provide the Secretary of Agriculture with more power. But the power he has in the bill is almost identical with the authority that has been exercised by the Secretary of Agriculture in connection with every bill that has been enacted, affecting cotton, rice, tobacco, and other crops for which there are price supports. In cotton and rice, for example, he can set price supports at between 65 and 90 percent of parity and there is no upper limit on the number of acres he can allocate. It is left to the Secretary to determine what the price support shall be. It is

left to him to fix the amount of acreage to be set aside.

I realize that last year Congress fixed at 18 cents the amount he could use to pay to cooperators. I was rather disappointed that such a provision was not included in the bill as it came from the House. As the distinguished Senator from Florida [Mr. HOLLAND] said, when I became aware of that fact, I obtained the two letters from the Secretary of Agriculture. In addition to the two letters, it is my recollection that the Secretary of Agriculture testified before the House Committee on Agriculture that it was his intention not to pay more than between 10 and 15 cents in kind to co-operators, in order to make up the full price support.

Let us not lose sight of the purpose of the separate payment. It is merely to keep noncooperators from getting the benefit of the program. That is all it is for; there is no other reason. As I have just stated, in the past the price supports usually fixed the market price. That issue has been argued from every corner of the Senate. If the Secretary were to fix the price support at \$1.25 and let everyone who desired to do so get into the program, he might not be too successful, unless he had the authority that was given to him to pay the support price in two ways: so much down—18 cents, as was provided in the last law—and the regular price support.

As I have said, that is the sole purpose of the provision. I do not care what it is called, whether it be a subsidy or whatnot. The purpose of that provision is to prevent those who will not cooperate from getting the benefit of the high price supports. It was included in the bill in order to induce as many farmers as possible to divert acres. I believe the provision has succeeded pretty well.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. HOLLAND. Is it not true, as shown by the hearings, on page 105, that when the Secretary of Agriculture was before our committee and was asked whether he would object to setting an 18-cent limit in the bill, he replied as follows:

I think I would feel very strongly that it is important that the amount of discretion, which was the product of some very, very careful thought and review and hearings, should remain as it is.

Mr. ELLENDER. Yes; but I wish the Senator would read why he said that. It is in the record. The reasons assigned by him were what I was trying to tell the Senate a few moments ago. The point has been reached where the program should not be made as attractive as it was before. Unless the Secretary of Agriculture has the discretion that was given to him, he might not be able to bring about the desired result. That is the sole purpose of this provision; there is no other reason.

Mr. President, I am ready to yield back the remainder of my time.

Mr. HICKENLOOPER. Mr. President I wonder if I might obtain some in-

formation from the staff of the committee?

Mr. CARLSON. Mr. President, will the Senator from Iowa yield, permit me to make remarks on another subject?

Mr. HICKENLOOPER. I yield to the Senator from Kansas for that purpose.

TRIBUTE TO CLIFFORD HOPE, PRESIDENT OF GREAT PLAINS WHEAT, INC.

Mr. CARLSON. Mr. President, I am advised that Clifford Hope, president of Great Plains Wheat, Inc., voluntarily retired today as president of that organization. It was through the efforts of Clifford Hope that Great Plains Wheat, Inc., was organized on January 1, 1959.

At present, Kansas, Nebraska, Colorado, North Dakota, and South Dakota are participating members of this organization. Oklahoma, Texas, Montana, and Wyoming are nonparticipating members. This organization is rendering outstanding service to the wheat growers of the Nation. The efforts of the organization have resulted in increased sales and the increased use of wheat in many countries, such as Japan, India, and many of the Latin American countries.

This organization has spent much time and money in creating a new product known as bulgar. The use of this product is increasing rapidly in many countries.

Mr. President, for 30 years Clifford Hope served in the House of Representatives. He served there as a member of the Committee on Agriculture, and for many years as its ranking minority member, and for many years as its chairman. He is recognized as one of the great leaders in the field of agriculture. Many important agricultural bills bear his name. They include bills of great importance in the fields of agricultural production, conservation, and the control of water runoff.

Even though Clifford Hope is now resigning from this organization, I hope he will continue his activities in the field of agriculture, where he can render such great and important service.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. I am glad to yield.

Mr. YOUNG of North Dakota. I wish to join the Senator from Kansas in commending the Honorable Clifford Hope for his long and valuable service to the farmers of the Nation and to the Congress of the United States. His imprint is on a great deal of the important farm legislation. Because of Clifford Hope, the farmers of this country today enjoy a better life.

Only one of the great agricultural acts was the Hope-Aiken Act, which originated the watershed projects. He had much to do with all wheat legislation for a quarter of a century.

The Republican Party has a better name today among the farmers because of Clifford Hope. He is a man we can ill-afford to lose in public life.

I wish Clifford Hope was here in Congress today. While he served here, he enjoyed the respect of every Member of Congress. He is a most valuable servant to all the people of this Nation.

Mr. CARLSON. Mr. President, I join in the remarks of the distinguished Senator from North Dakota. Clifford Hope is very favorably recognized in connection with every phase of agriculture.

FEED GRAIN ACT OF 1963

The Senate resumed the consideration of the bill (H.R. 4997) to extend the feed grain program.

Mr. HICKENLOOPER. Mr. President, I am prepared to yield back the remainder of the time available to me. I believe the Senator from Louisiana yielded back the remainder of the time available to him.

Mr. ELLENDER. No, Mr. President; I do not think I actually yielded it back. I said I was prepared to yield it back.

Mr. HUMPHREY. Mr. President—

Mr. ELLENDER. I yield 2 minutes to the Senator from Minnesota.

Mr. HUMPHREY. I thank the Senator from Louisiana.

Mr. President, the 1961 and 1962 feed grains programs were successful in reversing the buildup of Government feed grain stocks, reducing costs to the taxpayers, and substantially increasing farm income. They did contain, however, one undesirable feature—increased Commodity Credit Corporation sales in commercial markets—which has been eliminated from the 1963 program without reducing its effectiveness.

Going back many years, it is well understood that the basic idea of price-support operations was for the Government to take the surplus off the market, withhold it from the market until needed, selling it only at prices above the support level. Under this system, once the Government had impounded the surplus, which ordinarily would be a very small percentage of the crop, the rest of the marketing system would function in a relatively normal manner—to receive, separate, mix, ship, and distribute the commodities.

The 1961 and 1962 programs altered this practice. They offered an increased support price to those who agreed to cut back acreage and, through a vast program of Commodity Credit Corporation sales, maintained market prices available to noncompliers at 15 cents a bushel below the loan. In order to take advantage of the higher loan price, all grain produced in compliance had to be placed under loan and defaulted to the Commodity Credit Corporation. Feeders who complied with the program, but who were unable to obtain stocks locally for feeding, were unable to obtain the benefits of the higher loan price.

By substituting an 18 cents a bushel payment for the sellback program, to induce compliance with acreage cutbacks, the 1963 feed-grain program returned to the theory of earlier price-support legislation. The complier merely feeds or markets his grain, and

receives the difference between the market price and the support price in cash. This eliminates the need for Commodity Credit Corporation sales designed to punish the noncomplier.

With the 18-cent direct payment, the Government can proceed to impound just the surplus, hold it off the market, and let all the other functions of marketing do the rest. On this basis, even the livestock people who produce 75 percent of all the corn will participate in the program without going through the machinations of selling their corn and buying from the Government.

Mr. President, in 1961 and 1962—with the sellback feature in effect—the Commodity Credit Corporation sold or otherwise disposed of 1.2 billion bushels of feed grain, although it reduced its stocks only 426 million bushels. Thus, it merchandised 774 million bushels in commercial markets for no economic purpose other than to penalize noncompliers.

Final figures are not yet available for the 1962-63 crop year; but on the basis of published estimates, it is reasonable to assume that since the Commodity Credit Corporation will not be permitted to sell for unrestricted use at less than the loan plus carrying charges, the market price will prevent all but a very small takeover by the Commodity Credit Corporation. Thus, Commodity Credit Corporation sales in the 1963-64 crop year, under the new direct payment program, should be limited to little more than the difference between production and disappearance—or no more than one-third of its sales in each of the two most recent crop years.

Mr. President, the 1964 and 1965 programs, passed by the House, and now before the Senate, extend the principle of the 1963 program, but with greater flexibility in the amount of the direct payment. If the amount of the payment to compliers is sufficient—and I think it should remain at 18 cents—the Commodity Credit Corporation should be able to avoid the necessity of large sales of its stocks in commercial markets.

Mr. President, I know that the Senator from Louisiana has made an adequate response to the remarks made by the proponent of this amendment.

The provision relating to the compensatory payments, as incorporated in the feed grains program, has worked very well. It is based on a sound principle, and it is respected by the business community. Certainly it should be respected by the Congress.

Mr. HOLLAND. Mr. President, will the Senator from Minnesota yield for a question?

Mr. HUMPHREY. I yield.

Mr. HOLLAND. In connection with what other program has unlimited discretion ever been granted the Secretary of Agriculture to set the compensatory production payment at anywhere from zero to the top support price?

Mr. HUMPHREY. I do not know. However, the fact that I do not know does not make me believe that it will not be a good and workable program. For example, I do not know of any other American who has made 22 orbits around

the globe; but that does not mean that it is impossible for anyone to make 22 orbits around the globe.

By the way, it seems that it takes longer in the Senate to defeat an amendment than it takes Astronaut Cooper to make an orbit.

So I answer my friend's question as to whether it has ever been done before, by saying that I do not know that it has, but that it not the point. The point is that it is necessary to deal adequately with the surpluses and to maintain a proper income level for the agricultural producers.

I recall that a year ago Senators pleaded for restoration of the so-called voluntary program. That voluntary program works. It was praised last year, and it is praised this year. It was good then, and it is good now.

I suggest that the amendment has only one purpose, which is to delay enactment of the bill, because it is understood that if the bill is to be enacted soon, it is essential that it not be amended.

Mr. HICKENLOOPER. Mr. President, the Senator from Minnesota has made an interesting comment. He has stated what I assume is a criticism of the length of time taken to dispose of an amendment. The Senator from Minnesota is an authority on the subject of the length of time taken on the floor of the Senate on various measures. So he speaks with some impact when he makes such a declaration, and I believe all of us should observe it and should be very well aware of it.

So far as the enactment of this bill is concerned, the Senator from Minnesota said it is absolutely essential that the bill be passed by the Senate without amendment. However, there is no essentiality of that sort. The bill would not go into effect until 1964. Senate passage of this bill without amendment is essential only if some wish to use it as a club in connection with the wheat referendum, in order to bamboozle many of the wheat farmers into believing that they will be allowed to have some excess planting—which they will not get.

But if it is desired to use the proposed legislation for the benefit of the grain farmers, certainly it is not essential that the bill be passed by the Senate without amendment by the 21st of May.

Furthermore, it is preposterous to suggest that at this time it is necessary to remove the lid from the production-payment restriction, which last year was 18 cents. All we are saying is that it should be left at 18 cents, where it was last year.

However, of course, that is not the point at all. The point is the insidious expansion of the practically unlimited authority and discretion of the Secretary of Agriculture. That is bad for a free-enterprise economy, any time, anywhere. But that is what is behind this bill; that is the moving force behind it; namely, an effort to provide discretionary power over the free economy of agriculture.

Mr. President, there is nothing wrong with this amendment unless the act now in existence and applicable to the 1963 crop of feed grains is wrong. But if that

act is good—and it has been repeatedly stated on the floor by the proponents of the bill that the act is good—what is wrong with retaining the same limitation in the production-payment section, which already is in that act, which the opponents of the amendment say is working so marvelously?

The PRESIDING OFFICER. The Chair informs the Senator from Iowa that he has 5 minutes remaining.

Mr. HICKENLOOPER. I thank the Chair.

Mr. President, I believe that, in the main, all the arguments used in an attempt to knock down the amendments offered to this bill are specious, for a number of the amendments which have been offered in the course of the debate during the past several days are fairly well known to Senators to be really essential corrections to a bill which is bad both basically and in its details; and I am quite sure that a number of Senators have thought several times about their "nay" votes against some of the amendments on which the Senate has acted.

This is one amendment which would not change in one iota the existing law which is working so successfully. The amendment merely will prevent the reasonable limitations contained in the existing act from being entirely removed. The amendment would make it impossible to "remove the lid," insofar as discretionary power on the part of the Secretary of Agriculture over the production payments is concerned, whereas the bill without this amendment would make it possible for that power to be exercised at the whim and caprice of the Secretary of Agriculture.

Again, I say it is bad. It is bad in any free society to go from a government of laws to a government of men. That is what we do when we abrogate legislative responsibility and power and vest discretion in the hands of an administrator. We go from a government of law to a government of—I should not say "men"—I should say a government of a man. A man is fallible. Legislative bodies are fallible, too. But, since free societies have been developed, the combined judgment and surveillance of legislative bodies in coming to considered conclusions in the enactment of laws always have been better than the sometimes good, sometimes bad, sometimes accurate, sometimes erratic, variable discretion of a single individual whose emotions one way or the other may affect the entire economy or the entire public subject matter over which that discretion is exercised.

I say that the amendment should be adopted. It should be adopted as a safeguard. It should be adopted because it merely retains the same limitation that exists in the law at the present time. It is a good amendment. It would not change existing law. It would only retain existing law as it is. It would not go into new and untried realms of unlimited discretion in that field, affecting the well-being of many millions of people in the agriculture economy of our country.

In closing, I point out that the Record of yesterday shows that a clear ma-

majority of this body, as shown by the votes, believes that there should be some amendment to the bill, although we will not have any, because yesterday 51 Senators at one time or another voted to amend the bill and only 38 Senators voted consistently "nay" on every amendment that came up. That does not mean that 51 Senators ever voted for the same amendment, but I am saying that at one time or another 51 Senators yesterday voted to amend the bill. That is a majority of the Senate, putting on record their belief that the bill should be amended regardless of whether the amendment was the same amendment or not. They realized the deficiencies and shortcomings in the bill. That is a pretty powerful argument. I thank the Chair.

I yield the floor.

Mr. HOLLAND. Mr. President, I suggest the absence of a quorum, the call to run 2 or 3 minutes in order to give Senators an opportunity to start from their offices. At the end of that time I shall ask that the order be rescinded.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Iowa [Mr. HICKENLOOPER]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DODD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Michigan [Mr. HART], the Senator from Indiana [Mr. HARTKE], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oregon [Mr. MORSE], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Georgia [Mr. RUSSELL], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DODD], the Senator from Michigan [Mr. HART], the Senator from Indiana [Mr. HARTKE], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oregon [Mr. MORSE], the Senator from Maine [Mr. MUSKIE], the Senator from Georgia [Mr. RUSSELL], and the Senator from New Jersey [Mr. WILLIAMS] would each vote "nay."

On this vote, the Senator from Utah [Mr. MOSS] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Utah would vote "nay" and the Senator from Colorado would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] and the Senator from New Jersey [Mr. CASE] are necessarily absent.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Utah [Mr. MOSS]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Utah would vote "nay."

The result was announced—yeas 38, nays 48, as follows:

[No. 87 Leg.]

YEAS—38

| | | |
|-----------|---------------|----------------|
| Aiken | Fong | Morton |
| Anderson | Goldwater | Pearson |
| Beall | Gore | Prouty |
| Bennett | Hickenlooper | Robertson |
| Boggs | Holland | Saltonstall |
| Byrd, Va. | Hruska | Scott |
| Carlson | Javits | Simpson |
| Cooper | Jordan, Idaho | Smith |
| Cotton | Keating | Stennis |
| Curtis | Kuchel | Thurmond |
| Dirksen | Lausche | Tower |
| Dominick | Mechem | Williams, Del. |
| Eastland | Miller | |

NAYS—48

| | | |
|--------------|--------------|----------------|
| Bayh | Inouye | Monroney |
| Bible | Jackson | Mundt |
| Brewster | Johnston | Nelson |
| Burdick | Jordan, N.C. | Neuberger |
| Byrd, W. Va. | Kennedy | Pastore |
| Church | Long, Mo. | Pell |
| Clark | Long, La. | Proxmire |
| Douglas | Magnuson | Randolph |
| Edmondson | Mansfield | Ribicoff |
| Ellender | McCarthy | Smathers |
| Engle | McClellan | Sparkman |
| Ervin | McGee | Symington |
| Gruening | McGovern | Talmadge |
| Hayden | McIntyre | Yarborough |
| Hill | McNamara | Young, N. Dak. |
| Humphrey | Metcalf | Young, Ohio |

NOT VOTING—14

| | | |
|----------|-----------|----------------|
| Allott | Fulbright | Moss |
| Bartlett | Hart | Muskie |
| Cannon | Hartke | Russell |
| Case | Kefauver | Williams, N.J. |
| Dodd | Morse | |

So Mr. HICKENLOOPER'S amendment was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HICKENLOOPER obtained the floor.

STUDY TO DETERMINE WHETHER THE HOLDING BY A MEMBER OF THE SENATE OF A COMMISSION AS A RESERVE MEMBER OF ANY OF THE ARMED FORCES IS INCOMPATIBLE WITH HIS OFFICE AS SENATOR

Mr. GORE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. GORE. Mr. President, in view of the colloquy which I had with the distinguished junior Senator from Arizona [Mr. GOLDWATER] yesterday afternoon, and in view of the resolution which he submitted, at the request of the Judiciary Committee, to make a study of the legality and constitutionality of Members of the Senate being members of the Military Reserve, I wonder if he would be willing to have the committee also study the legality and constitutionality of Members of the Senate serving as actual members and delegates to the United Nations.

Mr. GOLDWATER. I shall be very

happy to include that study in the resolution. I did not realize, until my discussion with the Senator, that Members of the Senate appointed to the United Nations could participate in debate and vote there. This is a question on which we should have a decision, because in this instance, as I understand, the delegates are briefed by the State Department, which is a part of the executive branch, on what they should say and how they should vote. I think it would be proper to have this question cleared up. I shall be glad to extend my resolution to cover that question.

Mr. GORE. Mr. President, I ask unanimous consent that the resolution submitted yesterday by the junior Senators from Arizona be amended by adding the appropriate words to include membership as a U.S. delegate to the United Nations.

The PRESIDING OFFICER. The Chair informs the Senator that the resolution is in committee.

Is there objection to the request?

Mr. GOLDWATER. Mr. President, reserving the right to object—and I shall not object—we might extend this study into all international organizations to which Members of the Senate are sent. Offhand, I think of the International Labor Organization. If the Senator would like to include all outside organizations in his amendment to my resolution, I shall be very happy to accept it.

Mr. GORE. I believe the U.N. delegation is the only one in which Members of the Senate are actual participants, and, to that limited extent, representatives of the President; but if there are others, I think that question should be studied, and I join the Senator in his request.

Mr. GOLDWATER. I am thinking of the International Labor Organization, where the delegates do not vote as individuals, but where there is a caucus. They are appointed by the President, the executive branch of Government, and therefore the executive branch of Government has some voice in the selection of those who go to these international meetings and the way they are to vote.

Mr. GORE. I agree.

Mr. MANSFIELD. Mr. President, there is a unanimous-consent request pending.

The PRESIDING OFFICER. Does the Senator from Iowa yield?

Mr. HICKENLOOPER. I am waiting for the action of the Chair.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request by the Senator from Tennessee? The Chair hears none, and it is so ordered.

FEED GRAIN ACT OF 1963

The Senate resumed the consideration of the bill (H.R. 4997) to extend the feed grain program.

Mr. HICKENLOOPER. Mr. President, prior to the offering of another amendment, I should like to point out to the chairman of the committee what I regard to be a fatal deficiency in the

bill. I have talked with counsel of the committee about it. There may be some disagreement on the subject, but I call the attention of the chairman to page 8 of the bill, beginning on line 22, the sentence which reads:

Notwithstanding any other provision of this subsection (1) (1), the Secretary may—

The defect in this bill, which I believe is apparent, is that there is no subsection (1) in this bill. This language refers to subsection (1) of the bill. I checked the bill as it came from the House of Representatives. It contains the same language. This is an exact copy of the bill as it came from the House of Representatives, but it is defective, inasmuch as it refers to subsection (1), which is nonexistent in the bill.

I think any sound legislative practice demands that this bill be corrected, so the subsection may refer to the proper section, instead of a section which is nonexistent.

I do not think it is sufficient to say that is merely a typographical error and that it will be corrected in process. I do not think anyone has any authority to correct it in process. It has proceeded through the House of Representatives. It has proceeded through the Senate committee. I do not think a committee clerk or anybody else has the right to take a pen or pencil and change a bill which has been passed in the other House, when it is defective. I do not think there is any question that the reference should be "(h)", instead of "(1)".

Unless the chairman of the committee is prepared to offer such an amendment, I am prepared to offer an amendment to correct a manifest irregularity in the bill and to substitute the appropriate letter "(h)" so it will read "subsection (h) (1)" as it should read, whereas it now reads "(1) (1)".

Mr. ELLENDER. Mr. President, I wish to advise the Senator from Iowa that, as chairman of the committee, I shall not offer an amendment, and if one is offered, I shall oppose it.

The Senator from Iowa is a fine lawyer. The language is very plain. It reads, "Notwithstanding any other provision of this subsection," speaking of subsection (h) (1).

Mr. HICKENLOOPER. I certainly agree that it reads that way.

Mr. ELLENDER. Whether it then specifies (h), (1), (b), or (c) makes no difference, because it refers to "this subsection" and is contained in subsection (h) (1). The meaning is clear. It relates to the subsection in which it occurs; that is, subsection (h) (1).

Mr. HICKENLOOPER. Of course, that is the question. Does it refer to it? It says "This subsection (1)".

Mr. ELLENDER. It refers to "this subsection," and it occurs in subsection (h) (1). There is no subsection (1) so it cannot possibly refer to any subsection other than subsection (h) (1). We have made a very clear legislative history on this. The typographical error was discovered and cleared up in the report. If the Senator will refer to page 17 of the report, it is stated there:

In H.R. 4997, page 8, line 23, there is a reference to "this subsection (1) (1)." This reference is incorrect. The reference should be to "this subsection (h) (1)." However, no amendment is necessary, since there is no subsection (1) in section 16 of the Soil Conservation and Domestic Allotment Act and since the phrasing of the sentence—specifically the words "this subsection"—as well as the context of the sentence in subsection (h) (1), make it clear that the reference could only be to "subsection (h) (1)".

Mr. HICKENLOOPER. Of course, if it were an appropriation bill and it read "\$528.62," and it was said that what was meant was "\$528.70," I do not think a committee explanation, after the bill had passed the House of Representatives and after it had been through committee in the Senate, that that was not what was meant, but that something else was meant, in spite of what the bill said, would be a valid explanation.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. ROBERTSON. Some years ago the Senator from Virginia took part in a celebration at Cape Henry celebrating the landing of the settlers there. Incidentally, they got there 4 years before they did at Plymouth Rock, but that is aside from the point. I was speaking to the Episcopal bishop, Dr. Brown, when up came a gentleman who said, "I am the British consul at Norfolk—my name is Philips—Philips with one 'L.'" When he left, the bishop said to me: "Somebody knocked the 'L' out of his name."

Does the distinguished Senator from Iowa desire to knock the "L" out of the subsection, or out of the entire bill?

Mr. HICKENLOOPER. I will take either one of the postulates which the Senator has stated, or both, and combine them, and I will approve of either of them.

As I said a moment ago, I do not believe the staff of the Committee on Agriculture and Forestry, much as I respect them and their ability, can amend a bill which the House sends to the Senate. I do not believe they have the legal authority to say what the House meant in a bill when it came over to the Senate. What they have done in effect is to say, "Regardless of what the bill says, even though the bill says subsection (1) (1), that is not what the House meant; the House meant subsection (h) (1); so we will write it in the report, and away we go. We will have no trouble with it."

Legally that does not "wash" at all.

Mr. DIRKSEN. Mr. President, I should like to address a parliamentary inquiry to the Chair, and I should like to have the attention of the Parliamentarian. Can the Presiding Officer of the Senate sign a bill unless it has been carefully examined and is accurately enrolled?

The PRESIDING OFFICER. The Parliamentarian informs the Chair that in the case of a Senate bill, the Presiding Officer signs the bill after the attestation of the Secretary of the Senate; and in the case of a House bill, after the attestation of the House Committee on Administration.

Mr. DIRKSEN. A further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. I believe it is a parliamentary inquiry to ask whether the paragraphing and numbering of the instant bill are correct.

The PRESIDING OFFICER. The Parliamentarian informs the Chair that the Senate bill is identical with the bill that passed the House of Representatives.

Mr. DIRKSEN. A further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. In view of the colloquy as to whether or not the numbering is correct in its reference, and that judicial notice has been taken of that fact in the committee report accompanying the bill, how can it be signed by the Presiding Officer of the Senate unless that correction is made or the reference is a proper one?

The PRESIDING OFFICER. The Parliamentarian informs the Chair that the bill must first be signed by the Speaker of the House of Representatives before it can be signed by the Vice President.

Mr. DIRKSEN. A further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. Inasmuch as the House has adjourned, and insofar as I know, the Speaker was not accorded authority to sign a bill during the recess, and the bill requires correction, can the correction be made other than by a concurrent resolution of both Houses?

The PRESIDING OFFICER. The Parliamentarian informs the Chair that each House can authorize, by unanimous consent, the respective Presiding Officer to sign a bill during adjournment, so far as a bill originating in the particular House is concerned.

Mr. DIRKSEN. When unanimous-consent request is not given, then what?

The PRESIDING OFFICER. The Parliamentarian informs the Chair that without a unanimous-consent agreement neither the Speaker nor the Vice President has authority to sign a bill during adjournment.

Mr. DIRKSEN. There is a palpable inaccuracy in the bill. That fact is recognized and confessed in the committee report. How can the bill leave the Senate and how can it be signed by the Presiding Officer of the Senate when under the rule he is dutybound to examine the language and everything else in connection with a bill to see that it is accurately enrolled?

The PRESIDING OFFICER. The Parliamentarian informs the Chair that in this case the bill must first be signed by the Speaker of the House, and when it is brought over to the Senate the Secretary of the Senate will not go behind the attestation of the House of Representatives.

Mr. DIRKSEN. One further inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. The Senate now having taken judicial notice of the fact that there is an inaccurate reference in the bill, how can the Senate allow the bill

to pass beyond its control without first making that correction either by amendment or by concurrent resolution?

The PRESIDING OFFICER. Will the Senator from Illinois restate his parliamentary inquiry?

Mr. DIRKSEN. Let me ask an anterior question. I should like to get a ruling on whether or not a reference in the bill is accurate. I believe that is a proper subject on which the Chair can rule.

The PRESIDING OFFICER. The Parliamentarian informs the Chair that the usual procedure of correcting an apparent mistake in a bill is by concurrent resolution, originating in the House of Representatives in this case.

Mr. DIRKSEN. In so far as I am familiar with the precedents, the route of a concurrent resolution is not followed unless the mistake is discovered after it has gone through the legislative process. Once the mistake has been discovered later, then, of course, it can be corrected only by concurrent resolution.

However, it is evident that there is a misnumbering in the bill; that it is inaccurate; that the Senate is now on judicial notice that there is an inaccuracy in the bill; and that the proper procedure would be to correct it before the Senate loses control of the bill or before it is signed; and that can be done only by amendment.

The PRESIDING OFFICER. The Chair does not propose to rule on the question of whether or not a bill is accurate or inaccurate. That is up to the Senate.

Mr. HICKENLOOPER. Mr. President, as I see it, the question of the House bill, or whether the Speaker has signed it, is more or less a moot question. We have before us a series of legislative proposals which we call a bill. It happens to have a House number on it. It happens to have House language in it. We are considering language. We are considering legislation. We are not necessarily, except in form, considering a House bill, although it happens to be a House bill the Senate is considering. We are considering proposed legislation. As it now stands, there is a manifest mistake or irregularity in the bill we are being asked to pass. We are on notice. What is our obligation? There is agreement on both sides of the aisle, for the first time in the whole discussion, that there is a mistake; that something is wrong. What is our obligation? Is not our obligation to correct the mistake? Our means of doing so is to amend the language that is before us, the language that was reported by the Committee on Agriculture and Forestry, and to put the proper reference in the bill, because everyone agrees to what the proper reference is.

I think the only practical, responsible procedure open to us is to do the simple act of amending the language and putting the proper letter within the parenthesis, so that the reference will be to the proper subsection.

It would be vain and indefensible to go ahead and act on the proposed legislation, saying, as has been said on both sides of the aisle, "Yes it is wrong; it is incorrect; we see the mistake; we know it

is a mistake; but we are going to pass the bill anyhow," when all we have to do is merely to amend the bill and insert the letter "h" which, it is admitted, ought to be in the bill. That is what we believe is the meaning. We have the power to take such action. We have the bill in our hands.

Mr. AIKEN. I should like to have an opinion from the Chair. The Chair has stated that if the Senate passes the bill, knowing that the bill is incorrectly written at the time it is passed, the bill can later be corrected by means of a concurrent resolution. I wish the Chair would state what recourse the Senate may have toward correcting an incorrectly written bill before it passes. Is there no way in which such a correction could be made before the Senate acts on the bill itself?

Mr. MANSFIELD. Mr. President, may I be heard on that question?

The PRESIDING OFFICER. The Chair recognizes the Senator from Montana.

Mr. MANSFIELD. I believe the Senator from Vermont has anticipated what the Senator from Iowa was about to propose, or what he has had in mind proposing since he obtained the floor on this question.

Mr. HICKENLOOPER. Yes.

Mr. MANSFIELD. I think the only thing to do, as the Chair has stated quite correctly, is to permit the Senator from Iowa to offer his amendment. The minority leader has suggested the same procedure. We have the viewpoint of the chairman of the committee. We have before us the language in the report. Why not have the amendment offered and let the Senate vote?

Mr. AIKEN. I was about to ask for a ruling of the Chair as to whether the method proposed by the Senator from Iowa is the proper method to correct a mistake in a bill before the bill is acted upon.

The PRESIDING OFFICER. Will the Senator from Vermont please restate his parliamentary inquiry?

Mr. AIKEN. I have asked the Chair to rule on whether the proposal of the Senator from Iowa to amend the bill is the proper method to use in correcting what is an obvious mistake in the bill.

The PRESIDING OFFICER. The Chair rules that the bill is open to amendment. If the Senator from Iowa chooses to offer an amendment, that is his privilege.

Mr. BENNETT. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I should first like to offer an amendment; then there will be time in which to discuss it.

Mr. BENNETT. I should like to propound a parliamentary inquiry.

Mr. HICKENLOOPER. I yield for that purpose.

Mr. BENNETT. Mr. President, as I understood the earlier ruling by the Chair, on the advice of the Parliamentarian, it was that the Presiding Officer could sign the bill only upon the attestation of the Secretary of the Senate.

The PRESIDING OFFICER. That was the Chair's ruling.

Mr. BENNETT. Can the Secretary of the Senate give an attestation that the

bill is accurate in face of the obvious knowledge that without an amendment it is not?

The PRESIDING OFFICER. The Chair does not know what the Secretary of the Senate will do.

Mr. HICKENLOOPER. Mr. President, in view of the discussion and the manifest knowledge and understanding on both sides of the aisle that the bill is incorrect in its meaning with the letter "l" within the parentheses in line 23, page 8, and that the letter "h" should be within the parentheses, and in view of the fact that there is no dispute that the bill in its present form is manifestly, on its face, incorrect, I ask unanimous consent that the letter "l" in the parentheses in line 23, page 8, be stricken, and that, in substitution therefor, the appropriate and correct letter "h" be placed within the parentheses.

Mr. MANSFIELD. I object.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD. I object.

The PRESIDING OFFICER. The Chair hears objection.

Mr. HICKENLOOPER. Mr. President, I am forced to offer an amendment to that effect. I do not have it written, but I will prepare such an amendment and send it to the desk.

Mr. MANSFIELD. Mr. President, I think the amendment is clearly understood. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. LONG of Louisiana. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. LONG of Louisiana. I understand what the Senator is seeking to do. I am one of many Democrats who have been persuaded by my colleague from Louisiana [Mr. ELLENDER] that the bill should not be amended; that it should be passed notwithstanding the typographical error. I hope the Senator from Iowa will not persist in offering the amendment, because I very much fear that he will succeed in establishing the fact that, at least in this instance, he does not have the influence to change a typographical error. I think it would be wiser merely to have the Senate recognize that there is a typographical error in the bill.

I believe the bill should be passed and not be sent back to the House. I have been persuaded to that viewpoint. I believe that will be the result of the offering of the Senator's amendment.

Mr. HICKENLOOPER. Mr. President, I may not have sufficient influence to have a typographical error changed. I have had that demonstrated in the last 2 years. But I intend to find out whether the Senate has the courage to change a manifest mistake in a bill, which it is our sworn duty to do when a mistake is called to our attention. Let us see where the fault lies. Let us see whether we will supinely take political orders and pass a bill containing an error, when it is agreed that the bill contains a mistake, a wrong reference.

Mr. LONG of Louisiana. Mr. President, I do not wish to suggest that the Senator from Iowa lacks courage or influence, or anything else. He is an effec-

tive Member of this body. I admire and respect him. I would not want him to gain the impression that if he failed to have his amendment carry, he would not prevail in almost any other circumstance which he sought to explain.

In my judgment, it is not wise to offer an amendment in this instance. I have voted for a great many bills which contained typographical errors. As a matter of fact, in my State the law permits the legislature to correct an error in a bill after its passage when the legislative intent is clear. If the Senator from Iowa persists in offering his amendment, I shall vote against it.

Mr. DIRKSEN. Mr. President, we cannot lightly gloss over errors in bills. I recall that some years ago, in a tariff bill, a comma was omitted between the word "fruit" and the word "trees," so that the tariff bill read "fruit trees." As a result, there was a substantial loss in revenue.

It might very well be argued that we cannot have a comma changed; that we do not have influence in a body having a 2-to-1 majority against us; that because there are 67 Members on the other side of the aisle, the minority can be cut down whenever the majority wishes to do so. But that does not establish the rightness of the position which the majority takes. If the mistake is perpetuated, there will be litigation over the interpretation of the language before we are through.

There are many lawyers in this body. They know what it means to be correct; and the Senate ought to be correct.

Many Members of the Senate are lawyers; they know the importance of having the law correct; and it should be correct.

Mr. LONG of Louisiana. Mr. President—

Mr. MANSFIELD. Mr. President, who is in control of the time?

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Louisiana.

Mr. LONG of Louisiana. Mr. President, the Senator has yielded 2 minutes to me.

The PRESIDING OFFICER. The Senator from Louisiana was recognized for 2 minutes.

Mr. LONG of Louisiana. Mr. President, let me say to the distinguished minority leader that although I am not the most experienced Member of the Senate, I was a minute clerk of the State legislature before I attained the age of majority, and I am somewhat experienced with typographical errors. Furthermore, I am a lawyer; and, as a lawyer, I do not think it makes two whoops of difference whether the letter "l" or the letter "h" is used at this point in the bill.

I am reminded of a time when the late Senator Bob Kerr had introduced his first great legislative proposal. He wanted to have Congress pass a bill dealing with the Arkansas River, the Red River, and the White River. The bill subsequently became law. But after he had introduced the bill, he invited some of us to meet with him in the Vandenberg Room. There he gave us some

wonderful Oklahoma steaks. After luncheon was over, he said, "Fellows, what do you think of my bill? Do you feel like sponsoring it?"

There was an awkward silence. Then the late Senator Forrest Donnell said, "Bob, don't you think the comma in line 2, on page 2, should be changed to a semicolon?"

Mr. President, I say it will make no difference whether the change now proposed is made or is not made, whereas if any change is made in the bill now, the result may be great delay.

Therefore, I am prepared to vote now on the bill, without the amendment; and I hope other Senators will do likewise.

Mr. COOPER. Mr. President, will the Senator from Iowa yield to me?

Mr. HICKENLOOPER. I yield.

Mr. COOPER. First, let me say that I voted for the bill in the committee, and I expect to vote for it on the floor of the Senate.

However, I point out that a question similar to the question raised by the Senator from Iowa was raised last year. It will be recalled that there was an error in the accelerated public works bill. That case was quite similar to this one. The House had made an error, and it was continued by the Senate committee; the bill came before the Senate with the error in it. At that time, I offered a corrective amendment; but after several hours of debate my amendment was rejected.

On that occasion I had consulted with the Parliamentarian and with other Senators, and I was informed by all of them—and I believe this statement should be made for the RECORD, regardless of the decision the Senate makes on this amendment—that the proper thing to do was to adopt the amendment, because although it might not mean a great deal in the case of a particular bill, and the validity of the bill might never be questioned or contested because of the error, yet correction of the error was the proper procedure.

Furthermore, I was advised that it would be a bad precedent for the Senate to pass a bill knowing that the bill was incorrect in any respect. I recall that on that occasion, I was opposed by the sponsor of the bill—a Senator whom we loved very much, the late Senator Kerr—who argued that it was necessary that the bill be passed then, because otherwise it might never be passed. I mention this merely because I remember that the same issue came before the Senate last year.

It was generally admitted that it would be a bad precedent, and that it should never occur again. But now we are faced with the same question.

I shall vote for the amendment.

Mr. GOLDWATER. Mr. President, will the Senator from Iowa yield for a question?

Mr. HICKENLOOPER. I yield.

Mr. GOLDWATER. I wish to have a better understanding of the amendment. Do I correctly understand that as the bill came from the House, it did not correctly contain the letter "l"?

Mr. HICKENLOOPER. It did contain it, but there is no subsection "(l)" in either the bill as it came from the House or the bill now before the Senate. There is no subsection (l). One can interpolate or explain, "Oh, well, that is a mistake; it really means something else." But we are dealing with law, not with what someone says it should mean. When we enact a statute, it should be correct, at least in its verbiage, and especially when we are now put on notice that it is now incorrect.

Mr. GOLDWATER. What would be the legal effect of changing the "l" to "h"?

Mr. HICKENLOOPER. It would make the provision applicable.

Mr. GOLDWATER. Would it make any difference in the meaning of the bill?

Mr. HICKENLOOPER. It would make some difference in the meaning of the bill, because "l" is inapplicable now; there is no subsection (l). We are not working on the House bill, except technically. We are working on verbiage which is identical with that of the House bill, and it carries the number of the House bill; but what the House has done or has not done up to now makes little difference. The Senate is working on the language which is now before it.

Mr. GOLDWATER. Mr. President, if the Senator from Iowa will yield further, I should like to ask the chairman of the committee to explain his objection to the proposed change.

Mr. ELLENDER. It would not add anything to the bill, for the simple reason that there is not any chance that the present language of the bill can be misunderstood. While it refers to "this subsection (l) (1)" and there is no subsection (l), it occurs in subsection (h) (1), so that the language "this subsection" clearly refers to subsection (h) (1) and to no other subsection. In addition it is thoroughly explained in the report. So it makes no difference.

The Senator from Arizona is a good lawyer—

Mr. GOLDWATER. No, Mr. President; I am not a lawyer at all.

Mr. ELLENDER. I thought the Senator from Arizona was a lawyer. At any rate, we are referring to the subsection labeled (h) (1); and regardless of whether it is called "a," "b," "c," or "d," the subsection to which we have reference is the one in which this appears, and legally it makes no difference.

Mr. GOLDWATER. I should like to correct a misconception on the part of the Senator from Louisiana. I am not a lawyer, and that is why I am very naive in connection with such matters. On the other hand, I do hire lawyers; and one thing which I always like about lawyers is that they tell me the law is correct. Yet I understand that in this case we are asked to pass a bill which we are told is not correct.

The Senator from Louisiana is a lawyer. If he were engaged in private practice, could he easily interpret the correct meaning of this part of the bill?

Mr. ELLENDER. Yes. Regardless of whether it is labeled "a," "b," "c," or "d," we are referring to this particular sub-

section on page 8, in line 23; and it cannot mean any other subsection.

Mr. GOLDWATER. I suggest that the Senator consider the plight of the farmer who has had no legal training, and merely uses his common horsensense. Will he not be in difficulty when he reads the bill, and then says, "It refers to (1) (1), but there is no (1)."

Mr. ELLENDER. But there would be no question in anyone's mind as to what "this subsection" means when it appears in subsection (h) (1).

Mr. GOLDWATER. Can the Senator from Louisiana explain to me how such a citizen of the United States could, in his uninformed way, know what to refer to, when he looked around for "1," and found that there was no "1"? When he looks for "1," and finds that there is no "1," what will he do? I should like to have an answer to that question. What would the Senator from Louisiana advise?

Mr. ELLENDER. Even if the Senator from Arizona is not a lawyer, he has good, old-fashioned commonsense.

Mr. GOLDWATER. I like to think that I do.

Mr. ELLENDER. And I am sure that if he will read the subsection, he will see that there can be no doubt but that what is referred to is the subsection in question.

Mr. HOLLAND. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. Mr. President, I shall be glad to yield; but my time is rapidly being taken from me, and I do not know what the situation is.

Mr. GOLDWATER. Mr. President, I cannot understand the reasoning of the Senator from Louisiana [Mr. ELLENDER]. I am thinking of a farmer in Thibodaux, La., who lives 70 miles from New Orleans, and does not have access to a legal mind. When he reads in this measure the words "Notwithstanding any other provision of this subsection (1) (1)," and he asks, "Where is subsection (1)?" And when he looks all over "1" for it, what is he to do? To me, as I view this matter as best I can on the basis of my common horsensense, that situation would seem to be ridiculous. I believe it is ridiculous for this body to pass a bill that is so patently bad.

Mr. HICKENLOOPER. If the Senator will permit me, I suggest that he turn to page 9 of the bill, which the Senator from South Dakota [Mr. MUNDT] called to my attention a moment ago. He will there find, in lines 13 and 14 of that section, the same general language with merely a slight difference. On page 9, beginning with line 13, the language appears:

Notwithstanding any other provision of this subsection (h) (1) —

On page 8 the language appears:

Notwithstanding any other provision of this section (1) (1).

I ask the Senator whether, on page 9, "h" means "1," or on page 8 "1" means "h"?

Mr. ELLENDER. It does. It refers to the same subsection.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

LEAVE OF ABSENCE

Mr. HOLLAND. I ask unanimous consent that, notwithstanding the argument as to where "1" is, I may be excused from attendance upon the Senate until Monday.

The PRESIDING OFFICER. Without objection, the Senator is excused as requested.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I am about to yield the floor temporarily and reserve the remainder of my time.

Mr. MANSFIELD. I express the hope that the Senate may soon reach a vote on the amendment. The issue is quite clear. Both "h" and "1" in themselves represent surplusage. I have an idea—and I daresay that no Member of this body will doubt the statement I am about to make—that the purpose of the amendment is to knock "1" out of the bill.

Mr. HICKENLOOPER. In that case the Senator from Montana joins the Senator from Virginia in his interest in that particular result of the action. I think there may be something to it. The point involved is that we are on notice that the reference is incorrect, there is no such subsection in the bill.

The question is whether it is our responsibility to correct it. I submit that it is a poor excuse that someone at the other end of the avenue has sent word that the bill must be passed without any amendments whatsoever. That suggestion raises the question as to whether this body has abrogated its legislative responsibility, its duties, and even its judgment in refusing to correct a manifest irregularity in a measure that we must pass, and which effects the country. That is the whole issue. It is wrong. It is not correct.

The PRESIDING OFFICER. Do Senators yield back the remainder of their time?

Mr. ELLENDER. Mr. President, I yield back the remainder of my time.

Mr. HICKENLOOPER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Iowa. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ANDERSON (when his name was called). On this vote I have a pair with the senior Senator from Oregon [Mr. MORSE]. If he were present he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Virginia [Mr. BYRD], the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DODD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska

[Mr. GRUENING], the Senator from Michigan [Mr. HART], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Florida [Mr. HOLLAND], the Senator from Oregon [Mr. MORSE], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Georgia [Mr. RUSSELL], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Nevada [Mr. CANNON], the Senator from Alaska [Mr. GRUENING], the Senator from Michigan [Mr. HART], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Maine [Mr. MUSKIE], the Senator from Georgia [Mr. RUSSELL], and the Senator from Florida [Mr. SMATHERS] would each vote "nay."

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from Connecticut [Mr. DODD]. If present and voting, the Senator from Virginia would vote "yea" and the Senator from Connecticut would vote "nay."

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Utah [Mr. MOSS]. If present and voting, the Senator from Colorado would vote "yea" and the Senator from Utah would vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] and the Senator from New Jersey [Mr. CASE] are necessarily absent.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Utah [Mr. MOSS]. If present and voting, the Senator from Colorado would vote "yea" and the Senator from Utah would vote "nay."

The result was announced—yeas 34, nays 48, as follows:

[No. 88 Leg.]

YEAS—34

| | | |
|----------|---------------|----------------|
| Aiken | Goldwater | Pearson |
| Beall | Hickenlooper | Prouty |
| Bennett | Hruska | Robertson |
| Boggs | Javits | Saltonstall |
| Brewster | Jordan, Idaho | Scott |
| Carlson | Keating | Simpson |
| Cooper | Kuchel | Smith |
| Cotton | Lausche | Thurmond |
| Curtis | Mecham | Tower |
| Dirksen | Miller | Williams, Del. |
| Dominick | Morton | |
| Fong | Mundt | |

NAYS—48

| | | |
|--------------|--------------|----------------|
| Bayh | Jackson | Monroney |
| Bible | Johnston | Nelson |
| Burdick | Jordan, N.C. | Neuberger |
| Byrd, W. Va. | Kefauver | Pastore |
| Church | Kennedy | Pell |
| Clark | Long, Mo. | Proxmire |
| Douglas | Long, La. | Randolph |
| Eastland | Magnuson | Ribicoff |
| Edmondson | Mansfield | Sparkman |
| Ellender | McCarthy | Stennis |
| Engle | McClellan | Symington |
| Ervin | McGee | Talmadge |
| Gore | McGovern | Williams, N.J. |
| Hill | McIntyre | Yarborough |
| Humphrey | McNamara | Young, N. Dak. |
| Inouye | Metcalfe | Young, Ohio |

NOT VOTING—18

| | | |
|-----------|-----------|----------|
| Allott | Dodd | Holland |
| Anderson | Fulbright | Morse |
| Bartlett | Gruening | Moss |
| Byrd, Va. | Hart | Muskie |
| Cannon | Hartke | Russell |
| Case | Hayden | Smathers |

So Mr. HICKENLOOPER's amendment was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. ELLENDER. Mr. President, on this vote I had a live pair with the senior Senator from Florida [Mr. HOLLAND]; however, inasmuch as he would vote on this measure as I would, I voted "nay."

Mr. HICKENLOOPER. Mr. President, at long last, after 2 days of attempting to point out the frailties, irregularities, and bad provisions of the bill, the climax of this experience has now been reached when I agree with the junior Senator from Louisiana [Mr. LONG] that I do not have sufficient influence to have a manifest error in the bill corrected by the Senate. I am now willing to admit that that is true. The Senate has failed and refused to correct a mistake and an erroneous reference in the bill. I confess my inability to have that done.

Nevertheless, Mr. President, being constantly an optimist, I call up my amendments No. 84 and ask that they be stated.

The PRESIDING OFFICER. The amendments will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 2, line 6, it is proposed to strike out "and the 1965 crop".

On page 2, lines 14 and 15, it is proposed to strike out "or the 1965 crop".

On page 5, line 7, it is proposed to strike out "and the 1965 crop".

On page 6, line 25, it is proposed to strike out ", and in" and on page 7, lines 1 and 2, it is proposed to strike out "the case of payments with respect to the 1965 crop shall be the five-year period 1959-1963)".

On page 9, line 9, it is proposed to strike out "or 1965".

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

Mr. ELLENDER. Mr. President, I ask for the yeas and nays on the amendments.

The yeas and nays were ordered.

Mr. HICKENLOOPER. Mr. President, I yield 1 minute to the distinguished junior Senator from New York [Mr. KEATING].

The PRESIDING OFFICER. The Senator from New York is recognized.

office of the Service from New York City to Boston. I want to express publicly my gratitude to the Secretary.

According to the Secretary, the regional office will be left in fact right here where it is—and right where it belongs—in New York City.

Mr. President, I opposed this ill-advised move from the start. My distinguished colleague from New York [Mr. JAVITS] also was his usual vigorous self in exposing the obvious defects in the reasoning on which the plan was based. I know, too, that many, many Senators, even from distant regions of the country, felt instinctively that the move was wrong and would have supported the Senators from New York in any legislative action designed to cancel this transfer. So I am extremely gratified that Secretary Dillon has seen fit to accord our arguments every possible consideration and his mature deliberation and acted accordingly this afternoon.

Mr. President, I believe the Secretary by his action has recognized, as I am sure he always has, the diligent, hard-working efforts of the fine officers and employees we have in the New York City regional office, and that it would have been a grievous mistake to reward these people for their past successes by disrupting their entire operation. I am convinced that the confidence in these people that has been shown by the Secretary's action will be vindicated time and time again in the efficient and just administration of the internal revenue laws in New York State. And in behalf of every taxpayer in New York, who, I am sure, feel that the Internal Revenue Service is a real service organization in New York and not just another run-of-the-mine Government bureau, I wish to express my personal gratitude to the Secretary for what I consider a wise and beneficial decision.

I also want, Mr. President, to express my deepest gratitude to the Senator from Virginia [Mr. BYRD] and the members of our Committee on Finance for their kind cooperation in holding the hearings on this proposal that resulted in exposure of the economics of the situation that were so favorable to retention of the office in New York. The committee, in my judgment, has performed a vital public service in this regard.

Finally, Mr. President, but not least, the action of the Secretary this afternoon demonstrates the effectiveness of the voice of the citizen under our form of Government. We who were opposed to this step were aided immeasurably all along the way by the intelligent analyses of the reorganization plan both by organized groups and single individuals. Their participation in our common efforts, I am sure, produced a result which might well have not obtained otherwise.

Again, Mr. President, for myself, I say I am very happy to hear of this afternoon's announcement.

Mr. HICKENLOOPER. Mr. President, I yield 1 minute to the Senator from New York, or such time as he may need.

Mr. JAVITS. Mr. President, it is a happy day for the United States when

a high official of the Government, notwithstanding the feeling in his own department, is persuaded by the protests of the people. That is what has taken place in the matter of the move of the regional office from New York to Boston, now happily canceled. It is also a tribute to the citizens. A great many citizens, lawyers, accountants, and so forth, would not take the decision lying down. They fought the decision, obtained the aid of lawyers, and developed factual analyses showing why it was a very wrong thing. This action is a tribute to them.

I join my colleague [Mr. KEATING] in complimenting Secretary of the Treasury Dillon, who made the decision. I think this action demonstrates that we are still a Government under which the people's voice can be, and is, heard when it is implemented. I am happy, in the interest of our governmental processes and in the interest of the people of New York, that this result has been achieved.

I thank the Senator for yielding.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield half a minute or a minute to the Senator from New Hampshire.

Mr. COTTON. Mr. President, I should like to inquire from one of the distinguished Senators from New York whether the good news includes the order which denuded the regional facilities from New Hampshire and Vermont and moved them into Boston.

Mr. KEATING. The facts with respect to the denuding of the facilities for New Hampshire and other areas have not come to my attention. The announcement of Representative Celler was to the effect that this was the only change made. I have not had anything direct yet from the Secretary.

Mr. COTTON. I thank the Senator. Perhaps they did include us in the amnesty. If they did not, I would say the remarks of my distinguished friend from New York would indicate that only the people in the big States prevail.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. JAVITS. I think the Senator should check on that matter. I do not have precise information, but I understand the decision represents quite a reevaluation by Secretary Dillon of all these moves. The Senator from New Hampshire may find his trouble has been alleviated.

Mr. COTTON. I would like to do some checking, but I find when some of us check we do not have the courtesy of notification unless we happen to be basking in the sunshine of the mighty States.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield briefly to the Senator from Nebraska.

Mr. CURTIS. Mr. President, does the Senator from New York know anything about the situation with respect to the regional office in Omaha?

Mr. JAVITS. I do not know. I understand the Secretary has reevaluated

RESCINDING OF ORDER TRANSFERRING NEW YORK INTERNAL REVENUE OFFICE TO BOSTON

Mr. KEATING. Mr. President, I know it will prove a great source of satisfaction to the Senate to know that this afternoon Secretary Dillon has announced his decision to rescind that portion of the Internal Revenue Service reorganization plan that would have transferred the New York City regional

some; they were too spoiled, too immature, they would get sick, they would do more harm than good, and the whole thing would end up in a mess.

Well, these people who sold our young people short have been proved wrong on all counts.

They have volunteered, and in greater numbers than can be accommodated; they have lived and worked constructively and effectively under the most difficult of circumstances; they did not get sick and come home. Everywhere our Peace Corps volunteers have gone they have made such an impression that our Government has received requests to send two and three times more.

Our young people have a long tradition of missionary work in back of them, which has not been in vain.

We can be proud of all of them and in this connection I would like to read to you a brief statement made before our committee by Msgr. Joseph E. Schieder, former director of the Catholic Youth Organization:

"While I am conscious of the extent of crime among juveniles, still I wish to make the unqualified statement before this subcommittee that after giving my whole life in the work of youth, I feel that our present youth, considering the society in which they live, and the temptations to which they are subjected, are the finest group of youths this country has ever known."

One of the reasons why the great majority of our young people are responding as well as they are is the work of the Catholic Youth Organization.

At the present time there are 7 million boys and girls enrolled in the CYO across the Nation. These young people are not idly drifting along without values and without goals. They know the purpose of their lives. They have joined together in a great organization which is dedicated to preserving and fulfilling the highest moral values of our society.

I have taken part in many activities of the Catholic Youth Organization. I have attended their conferences, and I want to say that each time I have done so I have come away with a growing confidence in the young people of today and in the future of our country.

And so I am proud, in behalf of all who have contributed to the work of our committee, to receive this citation from the Catholic Youth Organization, and to say "thank you" for all that you have done to reveal the true face of American youth and to strengthen the future of this country and the causes it upholds.

FEED GRAIN ACT OF 1963

The Senate resumed the consideration of the bill (H.R. 4997) to extend the feed grain program.

Mr. HICKENLOOPER. I do not intend to take any substantial amount of time of the Senate on my amendments.

The chairman of the Committee on Agriculture and Forestry understands what they are. I am sure that the Senators who have read them understand what they purport to do. The amendments would strike the 2-year period and make the extension for 1 year. It is a question whether we wish to extend the program for 2 more years, 1964 and 1965, or to extend it for only 1 year. Heretofore it had been extended for 1 year. Various groups throughout

the country favor such an extension. I call attention to the fact that among them is the National Grange. I call particular attention to the testimony of Mr. L. Alton Denslow, associate legislative counsel of the National Grange, at page 130 of the hearings, as follows:

Senator HICKENLOOPER. I believe your organization in February took the position that this ought to be continued for 1 year rather than 2.

Mr. DENSLOW. Yes, sir.

Senator HICKENLOOPER. You now support the program for the 2-year continuation; is that it?

Mr. DENSLOW. The bill has been passed, of course, on the other side for 2 years. We did, as you say, support a 1-year extension to the House. I see no reason to change our position.

Senator HICKENLOOPER. Well, then, do you still recommend a 1-year continuation?

Mr. DENSLOW. I believe that 1-year continuance would be preferable to the 2-year continuance.

Having been through this maze yesterday, and having watched the consistency of the votes, and knowing that the pattern is well set, I have nevertheless offered these amendments, and I believe they should be adopted. I believe they should be adopted in spite of the fact that I am against the bill. The extension should be for only 1 year. Therefore I offer the amendments. I reserve the remainder of my time.

When the Senator from Louisiana has yielded back the remainder of his time, I will yield back the remainder of my time, unless something comes up in the meantime to change my intention.

Mr. ELLENDER. Mr. President, I hope the amendments will be defeated. As I tried to point out during the debate, the program to reduce surpluses has been very successful. We have cut surpluses from 84.6 million tons to about 6 million tons. It may take only a year to bring them down to 50 million tons or 45 million tons. On the other hand it may take 2 years. Even though the bill provides for a 2-year period, the Secretary of Agriculture is not forced to exercise that privilege for the second year if he determines that the surpluses have been sufficiently reduced.

Therefore, I can see no objection to a 2-year extension, so as to give the Secretary ample opportunity to reduce the surpluses to about 45 million tons, which I believe would be a normal carryover.

That is all I have to say on the amendments so far as I am concerned, and I am willing to yield back the remainder of my time.

Mr. HICKENLOOPER. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendments has been yielded back. The question is on agreeing to amendment identified as No. 84, offered by the Senator from Iowa [Mr. HICKENLOOPER].

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MONRONEY (after having voted in the negative). On this vote I have a

pair with the senior Senator from Florida [Mr. HOLLAND]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withdraw my vote.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DODD], the Senator from California [Mr. ENGLE], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Alaska [Mr. GRUENING], the Senator from Michigan [Mr. HART], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Florida [Mr. HOLLAND], the Senator from Oregon [Mr. MORSE], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DODD], the Senator from California [Mr. ENGLE], the Senator from Tennessee [Mr. GORE], the Senator from Alaska [Mr. GRUENING], the Senator from Michigan [Mr. HART], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Oregon [Mr. MORSE], the Senator from Maine [Mr. MUSKIE], the Senator from Georgia [Mr. RUSSELL], and the Senator from Missouri [Mr. SYMINGTON] would each vote "nay."

On this vote, the Senator from Utah [Mr. MOSS] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Utah would vote "nay," and the Senator from Colorado would vote "yea."

On this vote, the Senator from Missouri [Mr. SYMINGTON] is paired with the Senator from Kentucky [Mr. COOPER]. If present and voting, the Senator from Missouri would vote "nay," and the Senator from Kentucky would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] and the Senator from New Jersey [Mr. CASE] are necessarily absent.

The Senator from Kentucky [Mr. COOPER] is detained on official business.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Utah [Mr. MOSS]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Utah would vote "nay."

On this vote, the Senator from Kentucky [Mr. COOPER] is paired with the Senator from Missouri [Mr. SYMINGTON]. If present and voting, the Senator from Kentucky would vote "yea," and the Senator from Missouri would vote "nay."

The result was announced—yeas 34, nays 45, as follows:

[No. 89 Leg.]

YEAS—34

| | | |
|-----------|---------------|----------------|
| Aiken | Fong | Pearson |
| Beall | Goldwater | Prouty |
| Bennett | Hickenlooper | Robertson |
| Boggs | Hruska | Saltonstall |
| Brewster | Javits | Scott |
| Byrd, Va. | Jordan, Idaho | Simpson |
| Carlson | Keating | Smith |
| Cotton | Kuchel | Thurmond |
| Curtis | Lausche | Tower |
| Dirksen | Mechem | Williams, Del. |
| Dominick | Miller | |
| Eastland | Morton | |

NAYS—45

| | | |
|--------------|--------------|----------------|
| Anderson | Johnston | Mundt |
| Bayh | Jordan, N.C. | Nelson |
| Bible | Kefauver | Neuberger |
| Burdick | Kennedy | Pastore |
| Byrd, W. Va. | Long, Mo. | Pell |
| Church | Long, La. | Proxmire |
| Clark | Magnuson | Randolph |
| Douglas | Mansfield | Ribicoff |
| Edmondson | McCarthy | Sparkman |
| Ellender | McClellan | Stennis |
| Ervin | McGee | Talmadge |
| Hill | McGovern | Williams, N.J. |
| Humphrey | McIntyre | Yarborough |
| Inouye | McNamara | Young, N. Dak. |
| Jackson | Metcalf | Young, Ohio |

NOT VOTING—21

| | | |
|----------|-----------|-----------|
| Allott | Fulbright | Monroney |
| Bartlett | Gore | Morse |
| Cannon | Gruening | Moss |
| Case | Hart | Muskie |
| Cooper | Hartke | Russell |
| Dodd | Hayden | Smathers |
| Engle | Holland | Symington |

So Mr. HICKENLOOPER's amendments were rejected.

Mr. ELLENDER. Mr. President, I move that the Senate reconsider the vote by which the amendments were rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HICKENLOOPER. Mr. President, I myself have no further amendments to offer. I do not know of any other amendments to be offered on this side of the aisle. I think that stalwart band of agricultural patriots who stood so firmly for proper amendments, but who went down to defeat so gallantly. So far as I am concerned, I have no objection to the bill being read the third time.

The PRESIDING OFFICER. The bill is open to amendment. If there be no further amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 4997) was ordered to a third reading and was read the third time.

FEED GRAINS BILL HARMFUL TO LIVESTOCK, POULTRY, AND DAIRY INDUSTRIES

Mr. BENNETT. Mr. President, I wish to speak in opposition to the feed grains bill pending at this time because I believe that it would, if enacted, be harmful to agriculture in many parts of the country. This is particularly true in areas such as Utah which specialize in the production of livestock, poultry, and dairy products, but which are required to purchase feed grains from other areas. Although Utah has developed industrially over the past decade, agriculture remains an important part of the economy of the State. About 80 percent of the receipts from agricultural production in Utah arise from livestock and its products. Because the State does not produce enough feed grains to supply the needs for feed, it is necessary to import from

other States. The purpose of this bill is to raise the prices of those feed imports, which will in turn increase the price of livestock products, or decrease the possible profitability of the livestock, poultry, and dairy industries.

FEED PRICES SHOW SIGNIFICANT INCREASES

Support prices of feed grains have increased significantly in the past 2 or 3 years. The support price for corn has increased from \$1.06 per bushel in 1960 to \$1.25 this year, for a 17-percent rise. The price of sorghum grains during the same period has increased from \$0.85 to \$1.12, a 31-percent increase. The support price of oats has risen from \$0.50 to \$0.60, for a 20-percent increase, and barley support price is up from \$0.77 to \$0.96 a bushel, for a 24-percent increase. In addition to the increases in feed grain prices, livestock producers in Utah have faced constant reductions in the number of cattle permitted to use public range and forest land. This year, the Secretary of the Interior significantly increased the payment per animal-unit-month for use of public land. The effect of the actions taken by the Interior Department will be an increase in the need for supplementary feeds. The point I am making is that costs to produce livestock have risen rapidly in the past few years and apparently will continue to rise. Prices received for livestock, poultry, and livestock products, on the other hand, have not increased in any like manner, and in the case of poultry and products the prices have been declining. I do not believe it is necessary to spell out what these rising costs and declining prices are doing to the livestock industry in Utah.

With controlled support prices on products used by livestock producers, they are faced with monopoly prices for production items. There is no doubt that these prices are higher than they would be if there were no support prices. When the livestock producers sell their products, there is a free market in which they receive payment according to the demand for their products. They have no bargaining power because of the perishability of their product and are forced to accept within narrow limits the prices offered by packers and processors.

FOREIGN MARKETS ARE BEING LOST

Now add to these domestic problems the fact that our agricultural products are not receiving favorable treatment in Common Market countries. Poultry products are being excluded from Germany, and other countries are imposing sufficiently high tariffs on other commodities that our agricultural producers are losing their markets in these countries.

IMPORTS ERODE DOMESTIC MARKET

Not only are foreign markets being lost, but increasing imports are cutting into the domestic market for livestock products. Imports of beef and veal are now 1,454 million pounds. This represents an increase of over 500 percent in imports over the past decade, and amounts to nearly 9 percent of domestic production. Ten years ago imports of beef and veal amounted to only 2 per-

cent of domestic production. Imports of mutton increased from 1.3 million pounds to 65 million pounds during the same period. During 1962 mutton imports equalled over 80 percent of domestic production. We are also aware of increasing amounts of cream being imported.

SECRETARY OF AGRICULTURE ABLE TO CONTROL LIVESTOCK PRODUCTION

I received letters from Secretary Freeman of the Department of Agriculture and from the Executive Office of the President in which it was stated that they are not in accord with a proposal to amend the Tariff Act to impose additional duties on cattle, beef, and veal imported each year in excess of annual quotas. Similar statements were made by the Department of State, the Treasury, and the Department of Commerce. Such an amendment proposed here yesterday by my colleague from Wyoming was also defeated. If nothing is done about imports, then the market prices for livestock in the United States will be greatly determined by imports. Our livestock industry will not be able to compete with foreign livestock products which are not forced to pay artificially inflated prices for their feeds. If the Department of Agriculture controls feed grain prices, in effect it also controls production of livestock and the Secretary of Agriculture has the power to regulate and destroy the livestock industry without ever imposing price or quota restrictions. Frankly, I am concerned for the livestock industry in Utah and throughout the Nation. The U.S. productivity in agriculture is not second to any, yet we continue to lose both domestic and foreign markets because of agricultural programs which have been in existence over the past and continue in existence and are being proposed.

AGRICULTURAL PROBLEMS NOT SOLVED BY MANIPULATIVE SCHEMES

I have great respect for those persons, both in the executive and legislative departments of government, who are working for a solution to our agricultural problems. It is not an easy task to determine a course of action which is so important to the food and fiber producers as well as to the entire economy of the Nation. That it is not subject to simple administrative solution is demonstrated by the fact that agricultural programs put into effect have not solved the problems. The fact that a solution has not been achieved does not give just cause to believe that one cannot be found. I am convinced, however, that the solution does not lie in the direction which is being taken by those who propose increased regulation with higher prices and reduction in production.

The temptation to control appears so great that the lessons which should have been learned from past experiences seem to go unheeded. Past agricultural programs using administrative decision have created greater problems than those which they were set up to cure. I am not aware of any segment of agriculture that has been permanently helped through administrative price and supply manipulation. Conversely many segments have been hurt. To mention only

a few, cotton, milk, and soybeans are good examples of segments that have been harmed. There is little doubt that cotton is in trouble.

High domestic price supports and subsidized cotton exports enable foreign mills to buy American cotton cheaper than domestic mills are able to buy it. Foreign mills then ship cotton textiles to the U.S. market at substantially less than the price of domestic goods. This also gives the synthetic fiber industry a tremendous advantage over cotton. The net result is that our exports are down and we have lost domestic markets. U.S. cotton can compete in the world market if it is given a chance.

Another example that deserves mention is the milk program that has been followed by the present administration. As the supply and demand of milk and milk products approached an equilibrium, the Secretary of Agriculture raised the support price for manufacturing milk. With an increase in price, the inevitable happened. Overproduction was encouraged and stocks of butter and cheese purchased by the Government increased rapidly.

Soybeans were another commodity that was doing well both on the domestic market as well as on the world market until support prices were increased. Now we have an excess of soybeans and soybean oil. These examples demonstrate the folly of substituting political decisions for free market economic operation. I would like to see an end to schemes which create these problems.

TAXPAYERS CONTRIBUTE BILLIONS OF DOLLARS

All of these programs, of course, are costing the American taxpayer billions of dollars. Now I am convinced that those who are paying for such programs would be willing to do so if they were assured that such expenditures would result in an orderly return to a situation in which American products could compete with foreign products and in which consumers would be able to eventually pay lower prices for agricultural commodities. Unfortunately, no such assurance is possible if such programs as the one before us today are continued.

GRADUAL REDUCTION OF CONTROLS NECESSARY

I do not want to be misunderstood. I am not recommending that all agricultural support programs be discontinued immediately. This would be analogous to taking drugs away from an individual who had become addicted. The problems which exist in agriculture are to a great degree a result of controls and administered prices. It is not proper to give farmers only a choice between greater control on the one hand and no agricultural program on the other. A proper solution lies in a gradual reduction of controls and support prices to enable American agriculture to compete on the world market. Over a period of time, not only would agricultural income increase, but a major force toward a favorable balance of payments would also be put into effect.

COPY SUCCESS RATHER THAN FAILURE

It has been my observation over the past several years that those agricultural commodities which are under Govern-

ment acreage and marketing controls have been in a less favorable economic situation than those which have been free of such controls. A high percentage, ranging from 65 to 75 percent of American agriculture has been free from Government control and price support programs. These products, on the average over the years, have fared better than those commodities under Government programs.

It seems to me that in view of this, we should copy successes rather than failure. The principal role of government in agriculture should be to aid farmers in solving their own problems; to promote efficiency in farming, consistent with the law of supply and demand; to provide economic opportunity for farm people; to preserve the competitive principle; to stimulate and insure ample research and market expansion; and, of course, to provide an environment that will insure adequate supplies of food for our growing population.

In contrast to this, the bill before us tends to stimulate the development of monopolies, stratify production into historical patterns, set maximums for farm income, jeopardize the operation of a competitive market, set producers against one another by shifting adjustments among various groups, prevent new producers from having access to the market, and price American agricultural products out of the world market.

UTAH LIVESTOCK PRODUCERS CONCERNED

Let me conclude by stating that the livestock producers in Utah are greatly concerned about this bill. I have received letters and telegrams requesting that I do what I can to delay action on the bill until after the referendum. I have also received requests asking what the chances are of getting additional legislation in case the referendum is rejected.

I am not in sympathy with those who desire to push this measure through as emergency legislation. There is no emergency. The bill, if enacted, will apply to the 1964 crop which will not be planted for some time.

SUBSTITUTE LEGISLATION ASSURED IF FARMERS REJECT CONTROLS

Now, as to the advisability of passing the bill in order that the wheat farmers will have a better basis on which to cast their vote in the wheat referendum next Tuesday, this is not a valid reason for rushing the bill. Wheat farmers who are concerned are also aware that it is almost a certainty that the measure or one very similar will be enacted. Is there really any doubt, considering the pressure by the administration and Secretary of Agriculture and the makeup of this body? The real motivation then for swift enactment seems to be an effort to make farmers think that Congress will not consider additional agricultural legislation if the wheat referendum fails. This is unjustified and coercive. There is no doubt that legislation is already drafted and that it will be introduced immediately if the farmers express their desire to operate without stricter governmental control. Not only will legislation be introduced, but there will be great pressure on the ad-

ministration and the majority party for its enactment. It could be more simply done and with less embarrassment for the administration if the bill now being considered were not acted upon until after the referendum.

I also feel that if wheat producers vote "no" in the referendum, it should be taken as a vote of all agriculture for a lessening of controls. If that occurs, then it would be inappropriate for us to enact a measure which gives the Secretary of Agriculture unprecedented authority to regulate prices and production.

FREEDOM IN AGRICULTURE IS AT STAKE

There is far more at stake than just a 2-year feed grains program. The Government's role in agriculture is at stake. I for one would like to see the trend to greater control of prices and output reversed. The only final solution to the agricultural problem is to return more nearly to a situation wherein the market is able to effect price and supply. This bill will create additional hardship on those who are using feed grains not produced by themselves, and it will not result in a solution of our feed grain problem. I believe that the arguments against the bill, including the unprecedented powers given to the Secretary of Agriculture, the effect of its passage on the wheat referendum on the 21st of this month, the inefficiency of the expenditures made for price supports and diversion payments have been brought out adequately and there is no need for me to repeat these arguments. I oppose the enactment of the bill on all of these counts.

Mr. SIMPSON. Mr. President, I oppose the feed grain bill because it is bad legislation. The enactment of this feed grain legislation prior to the wheat referendum on May 21, 1963, will be widely interpreted as an effort to influence the vote. It is unwise for the Senate to interject itself into the controversy that exists between some officials of the Department of Agriculture and the farmers of America. The wheat farmers should be permitted an opportunity to express their will on the multiple price wheat program without further coercion and intimidation by the Federal Government.

The pressures for quick action on feed grains at this time comes from those who feel that it is politically expedient rather than what is best for the farmer and our Nation. The political opportunists who are pushing for this legislation seem to be pursuing the directive that "things are bad on the farm front—let's make it worse by confusing them further."

Some of the proponents of this bill seem to believe that the enactment of feed grain legislation would encourage a "yes" vote on the wheat referendum. These proponents have even adopted the pressure tactics of telling the farmers that there will be no wheat legislation after the referendum. What type of representation are the Senators giving their people if they pass bad legislation and then proclaim to the people that there is no other relief and no hope for improvements? If the Members of this body ever close the doors to legislation

which will bring relief to our people who are oppressed by bad legislation, it will be an ominous day in the history of our great country.

I think it most inappropriate for the Congress of these United States to try to influence the outcome of a producer referendum by last-minute maneuvers. If the Congress wanted to make the decision, it could have authorized the administration to put the multiple-price plan into effect without a referendum. Since the decision last year was to submit the issue to a producer referendum, I believe the Congress should be willing to let producers make up their own minds before we proceed to pass further farm legislation.

If the farmer votes for regimentation and governmental control, it would be an indication that this feed grain bill would not be objectionable. On the other hand, if the marketing quotas are defeated, it would be an indication to me that the farmers would not look with favor on this particular bill.

I feel that it would be wise to wait for the expression of the farmers. There will be ample time for Congress to consider 1964 feed grain legislation after the wheat referendum. Almost all feed grains are planted in the spring. For the last several years, the feed grain program has not been approved by Congress until much later in the year.

In 1960 with no feed grain program, production of the four major feed grains totaled 155.6 million tons. On the basis of prospective plantings, the USDA estimates that 1963 production of the four major feed grains will total 151.6 million tons, or only 4 million tons less than was produced in 1960 without a feed grain program.

Despite the tremendous cost of the 1963 program, total feed production is being reduced less than 3 percent from the no program level of 1960.

Of course, yields have been increasing at a rate of about 5 percent per year, but the feed grain program almost certainly has accelerated the upward trend in yields.

It should be clear by now that yields will be increased by any program that restricts acreage, raises support prices, and increases Government payments.

These facts support the view that the 1963 program will be more costly and even less effective in reducing production than the 1961 and 1963 feed grain programs.

The total direct cost of \$1.7 billion for the 1961 and 1962 feed grain programs cannot be justified. Over 90 percent of the reduction in feed grain carryover was due to factors other than reduced production of the grains covered by the program. Increased use has been the major factor in reducing the carryover. In this regard, feed grain production actually went up—not down—in 1962 as compared to 1961. Furthermore, the dumping of CCC grains under these programs has contributed to an increase in livestock, dairy, and poultry production and has severely depressed the prices received by producers.

Early indications are that the 1963 feed grain program will be less effective and more costly. By combining compensatory payments on the normal yield of the acres planted with diversion payments, the 1963 program first, discriminates against the producers who want to reduce production more than the minimum required for participation; second, provides a form of free crop insurance to cooperators; and, third, forces the Government to pay out millions of dollars in compensatory payments on grain that is produced solely for use on the farm where grown. We should not extend this wasteful program for 2 more years.

The Secretary of Agriculture would be given wide-open discretionary authority to make compensatory—Brannan-type—payments. I vigorously oppose compensatory payments because such payments would force consumers to pay a part of their food costs through taxes—rather than full value at the market. This is a trap for producers. Ultimately, the payment approach also would be a trap for consumers since it would encourage inefficiency and, thereby, result in high real costs of food.

H.R. 4997 grants far too much authority and discretion to the Secretary of Agriculture. This piece of legislation goes far beyond what would be a reasonable delegation of authority. By reason of the authority given to the Secretary of Agriculture under the provisions of this bill, the Secretary could decide a question presented to him—as my good friend from Colorado said earlier in this debate—“on the basis of any reason, not enough pressure, not enough attention given him, or something else, or merely because he did not wish to take action.” I do not want to abdicate the farmers’ freedom to the Secretary of Agriculture as this bill will do if enacted.

The proponents of the measure suggest that Congress will not consider legislation to handle the wheat problems. Later in the session I contend that we should not be that narrow minded. These agriculture problems cannot be divorced from one another. Earlier this week two amendments were offered which would have given some relief to the livestock industry. Unfortunately, many of the members of this body were eager to hastily pass this feed grain bill and did not give the suggested amendments fair consideration. There is a need for legislation which will give protection to the cattle industry. This problem is further complicated by this bill we are now considering.

Traditionally, the cattlemen of this country have been an independent group. They have not asked for subsidies nor have they been subjected to governmental controls. They do not want the Secretary of Agriculture to regulate them and the Secretary of Agriculture has never tried to directly control them. But now, the Secretary of Agriculture for this administration comes forward with a scheme to regulate and control the feed grains of America. He well knows that if the Government can control the feed grains, the Government can

and will control the livestock industry. This is an anathema to the people of the West. We do not want the yoke of governmental regimentation. We want the opportunity to operate in a free market without big government making every decision that needs to be made. The livestock man has been free and he wants to remain free.

This bill which we have been debating the last several days is a bad bill. Congress can do much better. It is my hope that this measure will be defeated and that Congress can prepare new legislation after knowing the will of the farmer and the prevailing facts. If we were to wait 4 more days, we would know what the farmer wants and would be able to determine whether there is a necessity for this particular piece of legislation.

Mrs. SMITH. Mr. President, I have repeatedly voted against high price support legislation such as this. I have done so because high price supports for feed grains are against the best interests of the dairy, cattle and poultry farmers of Maine. It is discriminatory against them. It is grossly unfair to them.

Only 10 days ago, a meeting of the Maine congressional delegation on May 6, 1963 was devoted to the crisis that high price supports for feed grains had created for the farmers of Maine. A delegation of dairy, beef and poultry farmers asked to meet with the Maine congressional delegation on the emergency created by the high feed grain prices that Maine farmers are having to pay—prices for feed grain so high as to threaten to ruin them. They urgently asked for some relief.

I explained to them that as long as there existed a high price support program for feed grains they would have this threat to their economic existence and that they could never really expect any meaningful relief from the high prices they had to pay for feed grains until this discriminatory program was stopped.

That is why I have voted against this legislation and that is basically why I am going to vote against it today or whenever it comes to a vote.

Of course, there have been, and will continue to be, efforts on the part of those who support high price supports for feed grains to try to make the Maine farmers believe that such does not cause their problems and trouble. But I just don't see how Maine farmers can swallow such claims. After all the issue is clear from its very name of “high price supports” for feed grains—it is clear that the objective is to keep feed grain prices high.

And it is inescapably clear that Maine dairy, beef and poultry farmers are victims of such artificially created high prices for feed grains.

I cannot vote for a program that victimizes the farmers of Maine—and I shall vote against this bill because it perpetuates the victimizing of Maine farmers.

Mr. HRUSKA. Mr. President, I have in the past supported recent feed grains legislation which has come to the Senate

floor from the Committee on Agriculture. Despite its dubious label as emergency legislation, the bill had my support because it seemed to be the best available solution to the problem. Generally, it appears to have the endorsement of feed grain farmers.

But today I rise in opposition to H.R. 4997 because it goes far beyond a 2-year extension of the 1963 law. The Secretary of Agriculture is given substantial new authority actually to manipulate the market with his ability to fix support levels at anywhere between 65 and 90 percent of parity. There are numerous other major changes in this year's bill, all of which are set out in the report of the Committee on Agriculture. In fact an Agriculture staff analysis and comparison of present and proposed law take 1½ fine printed pages of the CONGRESSIONAL RECORD, pages 7976-7977.

Mr. President, when this measure was first sent up to the Congress, I was encouraged because it appeared that the administration had at last comprehended a basic truth; namely, that American agriculture is part of our free enterprise system and wants to be rid of the shackles which it has acquired through three decades of Government mismanagement. It seemed that Secretary Freeman and his advisers had finally perceived this when they dropped their earlier rule-or-ruin demands for compulsory programs.

It now appears that the basic strategy of the administration to dominate and control agriculture remains unchanged; only the tactics have been altered.

Mr. President, it is only a few days until the wheat farmers of this country ballot in a referendum to choose the kind of program they will have. Nobody knows at this time how that election will turn out. In any case, it is a decision for the wheat farmers themselves to make, not the big farm organizations and not the Department of Agriculture and not the Congress.

If we allow ourselves to be stampeded into action on the feed grains bill before next Tuesday, attempt will be to construe this action as an endorsement of a "yes" vote by intentionally fostering the feeling among wheat growers that they will be allowed to shift millions of acres from wheat to feed grains. This is freely acknowledged by those supporting a "yes" vote.

Mr. President, I am convinced that we should await the outcome of the wheat referendum, not only because it is the best course from the standpoint of proper legislative practice, but also from the standpoint of fair play for the farmer.

Why should we blackjack him at the time he is weighing his vote in next Tuesday's referendum? That decision should be made without the pressure brought on by hasty and ill-considered action on our part.

Why all the rush?

Is not the real reason that an effort is indeed being made to influence the wheat vote?

Is not an attempt being made to say to the wheat growers of America, "See there, the Congress has already enacted

the feed grains bill and if you vote "no" next Tuesday, you are out of luck as far as constructive legislation this year is concerned."

Mr. President, whether some Members will admit it or not, this Congress will enact wheat legislation should the referendum fail. There are two very sound reasons for this. The first bears on our responsibility to the farmer. We will not be a party to his abandonment.

The second reason is perhaps even more compelling. It is politics.

And politics, Mr. President, is a language which this administration well understands. How could a party which controls the administration, the Department of Agriculture and both Houses of Congress willfully oppose new wheat legislation which would meet the threat, which they themselves have posed, of 80-cent, corn, 90-cent wheat, \$12 hogs, and \$16 cattle?

The answer, of course, is that they could not. It would mean difficult obstacles for victory of their congressional and presidential candidates in 1964.

We know that new wheat legislation will be offered in Congress on next Wednesday should the referendum fail on Tuesday. Members on both sides of the aisle have promised this.

Since this is the case, why should we stubbornly push on with the feed grains bill?

It would be much sounder procedure to await the outcome of next week's balloting and then in the calm, judicious manner the Nation has a right to expect of us, we can analyze the entire agricultural legislative package—feed grains, livestock, wheat, dairy, and poultry—and enact, perhaps for the first time in decades, constructive and meaningful legislation.

The provisions of this bill have been explained and discussed at length during this debate.

Whatever their detail or eventual effect would be may be subject to some difference of opinion. But there surely is no doubt on one score. It is a fundamental and very serious feature; a far reaching one in that it would reach into every aspect of agricultural economy from now on into the far future.

This one feature is the collection of sweeping, dictatorial, uncontrolled power which is vested in the Secretary of Agriculture by terms of the bill. Authority and discretion abound within its pages, and in virtually every phase of the farming industry.

It is designed to vest in the Secretary affirmative control of the feed grains of the Nation. Such control of course is accompanied by the ability to manipulate and control the livestock, poultry, and dairy business.

That is indeed far-reaching might in a self-governed nation. It amounts to an abdication of congressional jurisdiction to a degree beyond reason.

By far the greatest share of my State of Nebraska's income is from livestock. Raisers and feeders alike are concerned and alarmed at the prospect of a controlled market in their field, which is already too beset by enough hazards to

warrant this additional manmade trap. What a handicap. To try to preguess or outguess what the Secretary of Agriculture will do next month, next year, or 2 years from now and then figure out how to deal with the situation presented.

The hearings on this bill and the time allowed for preparation thereof were much too inadequate.

Its scope is wide indeed—far wider than the proposed law for cotton. Yet for feed grains there were 3 days of hearings with very little time for preparation; whereas for cotton 10 full days for preparation alone have been provided.

The bill should be rejected.

Mr. LAUSCHE. Mr. President, I shall vote against the bill. The cost entailed by it is extravagant and unjustified having in mind the limited good that it will produce.

To illustrate what the cost will be, I shall take the situation of an Ohio farmer having a 100-acre allotment of corn. Inasmuch as the bill does not fix five important factors that must be considered in determining what the cost per acre will be, it is necessary merely to assume what might pop out of the Secretary of Agriculture's head. Of those items, four are important. First, the Secretary of Agriculture must determine whether the feed grain diversion program shall be put into effect. I assume that he will do so.

Second, he must determine, according to his whims and fancies, what the level will be at which feed grain prices are to be supported within a range of 65 to 90 percent of parity. On this item, the indications are that he will fix the price support of corn at \$1.25.

In addition, the Secretary of Agriculture will have to determine the percentage of base acreage, up to a maximum of 50 percent, that a farmer must divert in order to participate. My assumption is, according to what has been said, that the Secretary will fix the minimum diversion at 20 percent.

However, he will have to decide, according to his views, what the proportion of the price support that is to be made available through premium payments to farmers shall be. I assume that he will fix that price at 15 cents.

Thus an Ohio farmer, having 100 acres, will produce an average of 75 bushels per acre. It is my understanding that the production is more nearly 100 bushels per acre. On the basis of the assumptions which I have made as to what the Secretary of Agriculture will do, a farmer who takes 20 acres out of production will be paid by the U.S. Government the sum of \$1,387.15—\$937.50 for the 20-acre diversion, and \$450 for the premium payments that he will receive on the 1,600 bushels that will be produced, or 80 times the 75 bushels that will be produced on the residue acres of his land.

This bill must also be condemned because it creates a flagrant abandonment of congressional responsibilities, and vests them in one man, the Secretary of Agriculture. The principle that ours is a government of laws, not a government of men, is thus rejected. Furthermore, we flout the words inscribed on so many

of our public buildings, including almost every courthouse and almost every legislative hall in the Nation, when we pass a bill of this type, in which we vest in one man the ultimate ability to make the law, but ourselves abandon our responsibility to make the law. Even more flagrant than all that is the fact that men of supposed liberal complexion and liberal thinking are espousing the program of the abdication of legislative power.

Mr. President, I believe in the principle that ours is a government of laws, not of men, and I wish to stand by it. On that basis, I must condemn this bill. The Ohio farmers, who constitute a substantial segment of the economy of Ohio, will thus be subjected to the whim and fancies of one person, the Secretary of Agriculture. Even if this bill would bring wealth to the farmers, even if the program were in all other respects good, in my judgment this bill should be defeated because of the violation of this principle.

Moreover, Mr. President, the bill is being hurried and rammed through the Congress. Its passage is intended to be improperly used to influence the farmers of the Nation when they cast their votes in the referendum to be held on May 21. Moneys, personnel, and equipment of the Department of Agriculture have wrongly been used to propagandize the farmers to vote "yes" in the referendum to be held on May 21.

Mr. President, on my desk is a booklet issued by the Department of Agriculture. The booklet is set out in parallel columns, headed "What You Will Get If the Vote Is 'Yes'" and "What You Will Get If the Vote Is 'No'" on the referendum. In the booklet, all of the good things that will be received are told, but the booklet is as silent as a clam when it comes to describing the evils and abuses involved in the issue on which the referendum will be held. The booklet emphasizes the virtues of a "yes" vote on the referendum, but the booklet unpardonably omits to point out its evils.

Furthermore, it was shown today on the floor of the Senate, especially by the argument of the Senator from Delaware [Mr. WILLIAMS], that some recipients—at least one—last year received \$150,000 under the program; and the city of St. Louis, I believe, or the State of Missouri, and penitentiaries and banks are receiving payments under the program. Yet when the bill was originally passed, it was intended to save the farmers. It subscribe to that intent. However, now the bill is being used for an entirely different purpose. Now we know of many cases of flagrant abuse; and now we know that the farmer is not at all the one who is to be benefited.

Finally, in my opinion the Ohio farmer wants to be emancipated from the shackles which Congress has placed upon him. He would rather give up the largesse and the gifts. The farmer wants to be a freeman. I know of no one who has the desire to be free as deeply as does the man who works the soil with the plow, inhales the fragrance of the freshly upturned earth, and enjoys the

herbiage of the trees and grasses which grow from the earth around him, and by nature has been born to be free. Yet, Mr. President, an abject Congress, unwilling to assume its responsibility, chooses to surrender it to one man, and chooses to say to the farmer, "Accept our largesse, but allow us to harness you and keep you in harness, as are the beasts of the field."

Mr. President, others may do it, but LAUSCHE will not do it.

Mr. MCINTYRE. Mr. President, I support the purposes of the 1963 Feed Grain Act, which are to maintain stability in feed grains and reduce the staggering burden of feed grain surpluses accumulated during 1958, 1959, and 1960. The annual expense of storing the grain, which has run over \$900 million in recent years, has been cut back by over \$300 million per year since 1960. In 1961, for the first time in many years, the utilization of feed grains exceeded production, and the size of the surplus started coming down. In the first year of the present feed grain program Government stocks were reduced by 12.2 million tons. In 1962 they were reduced by another 11.4 million tons.

NO MAN CAN UNDERSTAND A BILLION BUSHELS

Louis Brandeis used to say that no man could understand a billion dollars. Well, very few of us can comprehend the immense amount of grain that 1 billion bushels represents either. But just think, in 1960 the Federal Government was storing over 3 billion bushels of feed grains. By 1962 the figure had fallen to 2.3 billion. If this bill is enacted the surplus will decline to about 1.7 billion by 1965, a figure that adequately reflects the needs of the United States in the event of drought or the disruption of war.

AVERTING DISRUPTION IN THE POULTRY MARKET

New Hampshire, like the rest of New England, has to turn to other States for grain, so our poultrymen are concerned about the prevailing price for feed. Our labor, heating, and housing costs are consistently higher than those of other producing States, and higher than the transportation costs incurred by the other major producing regions in shipping to the same big city markets that New England strives to satisfy.

Against this pattern of competition between these two great poultry producing regions of the country, we may easily see that New England's disadvantage would be even greater if the bottom dropped out of the feed grain market. Many new producers would enter the poultry business in the southeast, driving the price of broilers and eggs relentlessly down until our New England poultrymen could make no profit at all. I concede that the Department of Agriculture apparently contemplates a 4 percent increase in the support price for feed grains next year, and some representatives of New England poultrymen are complaining loudly about it. But have they troubled to think that without market stability, our New England poultryman would have no future at all? That is the kernel of the argument over this bill.

With the other New England Senators, I was distressed to learn that the Secretary of Agriculture had authorized the sale of surplus grain in 12 Southeastern States in terms that seemed discriminatory against New England. I have his word that it will not happen again. But because of uncertainty in predicting prices, it was decided that this bill ought to carry a provision against discriminatory dumping. That provision is there, and it severely restricts the discretion of the Secretary of Agriculture in choosing prices at which to release surplus grains. And just to make this situation perfectly clear I join with my colleagues from New England in offering an amendment, which failed by the narrow margin of 52 to 38, which would have required the Secretary to observe historic differentials among the regions of this country.

Another fact of life ignored by the opponents to this bill is that New England poultrymen used mixed grains, which is processed and bagged before they receive it. Now everyone knows that when the raw material cost of a processed item goes down, the price of the item is likely to remain the same. But if the raw material cost rises, the increase is passed on to the feed user. That is why I welcome a stable price for feed grains. This is yet another reason why the opponents of this bill are in reality pushing the poultry industry toward oblivion.

Feed grain prices are now substantially lower than they were between 1951 and 1954. In fact the West German Government has imposed a stiff tariff on our poultry exports, supposedly to compensate for the low cost of feed grains to American producers. Further declines in feed grain prices would invite further retaliation. I strongly support the efforts of the Secretary of Agriculture, Mr. Orville Freeman, in his valiant battle to win favorable terms for our poultry products in entering the Common Market.

The interest of the New England poultryman is in stability, not in spiraling production in a market where the chief problem is already oversupply. Low feed grain prices mean more birds, driving down still further the price our farmers receive. Furthermore, the taxpayer stands to save literally hundreds of thousands of dollars every day because the size of the surplus is being reduced. I know that the very idea of the Federal Government piling up immense surpluses is repugnant to our New England citizens. I would stress the important fact that this is a voluntary program, and not a mandatory one. I am going to vote for a cut in the stockpile of feed grains and the preservation of New England's hard-fought position in the market for poultry products.

Mr. MANSFIELD. Mr. President, on the question of the passage of the bill, I ask for the yeas and nays.

Mr. DIRKSEN. Mr. President, I join in the request for the yeas and nays.

The yeas and nays were ordered.

Mr. KEATING. Mr. President, I shall not detain the Senate; but I must express my opposition to the proposed

legislation, and I must state, even though briefly, my reasons for taking this position.

Mr. President, I am strongly opposed to the proposed legislation.

Last Sunday, May 12, was the 30th anniversary of the signing of the Agricultural Adjustment Act of 1933, by which controls were first placed on wheat production. Yet, what have we achieved through three decades of wheat legislation? The answer is alarmingly clear: Larger and larger surpluses, a continuous spiraling cost to the taxpayers of this country, which now is reaching into billions of dollars annually, and more and more Federal controls on farmers.

The proposed legislation before us reflects the view of the Secretary of Agriculture that the farmer's problems can be solved by complete government regulation. This is a fallacious and a costly presumption. All that this bill will really accomplish is the extension for 2 more years of a program which is all too similar to the unwise and totally unsuccessful feed-grain programs of the past 2 years. The Secretary of Agriculture, by his own admission, has branded these programs as too costly. Yet now we are asked to extend these programs, and to do so in an atmosphere of greater urgency than has existed in connection with any other subject to come before this session of the Congress. Monumental pressure obviously is being applied by the executive branch in behalf of this bill.

The answer is this: On May 21, the wheat farmers of America will vote in a national referendum; and the Secretary of Agriculture is seeking to force a "yes" vote upon them. The entire bill before us is based on the premise that the wheat referendum will pass. If the "no" votes prevail in the referendum, this program will not be appropriate. It will be most difficult for Congress to enact at this session remedial legislation to offset the effects of a "no" vote, without the support of the executive branch. The Secretary of Agriculture in a very distasteful and heavyhanded manner is making every effort to insure that the wheat farmers know that. We should act on realities and facts, not on presumptions and campaign devices. Within a few days we shall know the wishes of the farmers who are most deeply concerned with this problem. This measure is premature for the wheat farmer, the feed grain farmer, and especially so for the Congress.

In addition to being premature, this measure places entirely too much discretion at the disposal of the Secretary of Agriculture. We are told that it is a voluntary program; yet it is clear that it could easily be turned into a mandatory one. The endeavors of the Secretary in connection with other programs, such as those dealing with dairy products, for example, plainly indicate that it would be unwise to extend so much latitude to him.

This measure is particularly detrimental to the interests of the dairy farmers and the poultry farmers of the State of New York and, indeed, all the farm-

ers of the northeast. The northeast section of this country is a deficit-grain-producing area; so it is essential that additional grain be purchased for our needs. Thus, any program which has the effect of curtailing grain supplies and fixing high price supports must necessarily boost grain prices. This will not only cause an increase in costs to the farmer, but it must of necessity also affect adversely all consumers, since any additional cost of feed grain will be absorbed in higher prices for milk, poultry, and related products.

We are constantly being lectured by proponents of this bill that the emergency feed-grain program, as implemented during 1961 and 1962, has been a tremendous success, and that surpluses are being diminished, while the feed grain carryover is being reduced. Let us examine the facts and see whether these conclusions are borne out by them.

During 1961 only 42 percent of the farmers with corn and grain sorghum bases signed program contracts, whereas in 1962 only 44 percent of these farmers signed contracts. In addition, during 1962 only 29 percent of the producers with barley bases signed the contracts. These statistics clearly establish a lack of confidence in the program by those most directly affected.

The total direct cost of the feed grain programs of 1961 and 1962 is estimated at approximately \$1.7 billion. In view of such a very large expenditure, we are compelled to ask a simple question: Is this vast expense warranted, when viewed in the light of the accomplishments of the program during 1961 and 1962? The answer must be a ringing "No." Over 90 percent of the reduction in feed grain carryover was because of factors which had no relationship to reduced production of grains covered by the program. In 1962, wheat production actually increased, in comparison with production in 1961.

In 1961, 129.3 million acres were planted to feed grains by farmers. In addition, the Government paid for the diverting away from feed grain production of 26.7 million acres. Therefore, simple mathematics show that during 1961, the total feed grain acreage amounted to 156 million.

In 1962, farmers planted 125.9 million acres to feed grains, and were paid for diverting an additional 32.7 million acres. Hence, the total feed grain acreage during last year amounted to a total of 158.6 million, or 2.6 million acres more than the total for 1961. These figures illustrate the simple fact that many farmers who refuse to participate in the program have increased their plantings, and also reflects adjustments in the base acreage of participating farmers.

At this time all indications are for the program to be an even greater failure in 1963 than it was during the past 2 years. Direct payments to the farmers under the 1963 program will be close to \$1 billion. This is an enormous expense; yet the results do not even begin to justify the cost. Producers have signed up to divert only 19.4 percent of their feed grain base acreage this year, in comparison with 26.5 percent in 1962, and 26.1

percent in 1961. In addition, the farmers who are participating in the program have signed up to divert 7 million less acres this year than those diverted in 1962. Yet the number of base acres has been adjusted upward some 9 million from 1962 to 1963.

I hope the bill will be defeated. It is premature; it will be tremendously costly; it will prevent any adequate legislation on the subject from being enacted later in this session; and it will harm the dairy farmers and the poultry farmers of the Northeast, without providing any real solution for farmers engaged in wheat production. We should not add one more harmful measure to a farm policy which already is a national disgrace. Mr. President, This bill should not be enacted into law.

Mr. HICKENLOOPER. Mr. President, I shall not detain the Senate now as we approach a final vote on the measure. Last year I expressed my dissatisfaction with the progress of the kind of legislation proposed. I am more against the pending bill than I was against the law that it is supposed to resemble, although it is much different.

The bill presents an ominous step in the further encroachment of bureaucracy over the economy of our country. The unprecedented extension of the discretionary power of the Secretary of Agriculture in regulating the economy and the people engaged in agriculture in our country in many ways is frightening. It is frightening because of what it will eventually lead to, step by step. As a result of the discretion, the broad power granted, the lack of inhibition and control over the Secretary of Agriculture, as set out in the proposed legislation—mark my words—that power will be attempted to be extended to other segments of agriculture in rapid succession. It may be a year or two; perhaps 3 years. But the movement is on to concentrate bureaucratic control over our country through our economy.

This proposal is one of the steps. It is deeper than an agriculture concern. It is a top political reorientation of the concept of American opportunity and American economic freedom and responsibility. It goes deeply into that subject.

I wish to go on record now as saying that the measure is one of the steps along that line. If the Congress of the United States desires to abandon the responsibility of the private individual, that is, if we wish to contribute to the erosion of our system of responsibility and individual freedom of action and begin the gradual incursion more than more of the appointed and unelected bureaucrat who, through theory or otherwise, or because he has read a book somewhere and thinks he knows more about how to operate the business of what used to be a free private economy than the man who learns through experience and does the job himself, it is not a very promising omen for the continuance of the expansion of private enterprise in our country.

We hear a great deal about our economy not moving. Of course, it has not moved in the past 2½ years. The glittering and glowing promises of the campaign in 1960 have never been met.

One big reason why the economy of our country is not moving is not lack of capital or money. There is a great deal of capital in the country in savings banks, insurance companies, and the investing public. The reason is a lack of confidence on the part of people who have money to invest. They do not know what type and kind of government we will have a few years from now. They are fearful of the trends that are now indicated. They are trends toward expansion of bureaucracy, control, dictation, and limitation on the opportunities of the individual. That is what is inhibiting much of the economic development of our country that otherwise could take place.

There are many other reasons, but that is one. I shall not delay any longer.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a copy of a statement which was made by the minority members of the committee who filed minority views. The statement is contained in the minority views, but the portion I submit I should like to have incorporated in the RECORD as part of my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

We vigorously oppose the enactment of H.R. 4997 by the Senate for two basic reasons—first, it is our considered judgment that enactment of any feed grain legislation before farmers vote in the multiple-price wheat referendum on May 21 is a surrender to expediency and is unwise and unfair to both wheat and feed grain producers. Second, it is our belief that H.R. 4997 is a bad bill and that it would be harmful to farmers, consumers, and taxpayers. It also gives the Secretary of Agriculture unprecedented authority to make compensatory payments which should not be given to any Secretary.

For the Congress to seriously consider feed grain legislation before farmers vote in the May 21 wheat referendum is unfair to all farmers for the following reasons:

1. Should the multiple-price wheat program be approved in the upcoming referendum, one set of circumstances will prevail. In such a case, the Congress then should spell out the conditions under which wheat may be grown on feed grain acres to avoid undue disruption of the feed grain and livestock situations. If, on the other hand, wheat farmers vote "no" in the referendum, this will create substantially different conditions for the producers of wheat, feed grains, and livestock. If the wheat referendum should fail, the Congress certainly would want to reanalyze the entire wheat, feed grain, livestock, dairy, and poultry situations in order to be fair and reasonable with the farmers of this country. For the Senate to approve this bill at this time, ties our hands because we do not know how farmers will vote in the all-important wheat referendum.

2. Action to enact this feed grain legislation prior to the wheat referendum would widely and justly be interpreted as an effort to influence the vote in the referendum. Many advocates of this legislation admit that such is their purpose.

The greatest pressure for action on feed grains at this time comes from those who think that the enactment of feed grain legislation would encourage a "yes" vote by creating the feeling among wheat producers they will be able to shift millions of acres

of feed grains to wheat under the multiple-price plan.

More important, it is also apparent to those pushing for the enactment of feed grain legislation at this time that this would influence a "yes" vote by causing farmers to think that Congress has closed the door against the enactment of any additional wheat legislation this year after the referendum. If feed grain legislation is not passed at this time, farmers in our opinion will have a much better chance of getting constructive legislation for feed grains and wheat enacted by this Congress especially if the wheat referendum fails.

It is our feeling that the Congress should not in any way try to influence the outcome of the wheat referendum being voted on by wheat producers. We, therefore, should not enact any feed grain legislation until the results of the referendum are known and the decision of wheat farmers made clear not only to Congress but to all our citizens.

3. It is too early to know much about the actual results of the 1963 feed grain program. Producers have signed up to divert only 19.4 percent of their feed grain base acreage this year in comparison with 26.5 percent in 1962 and 26.1 percent in 1961. Participating farmers have agreed to divert only 25.7 million acres this year in comparison with 32.7 million acres in 1962. In the meantime (for some unknown reason), the total number of base acres has been adjusted upward from 123.3 million in 1962 to 132.3 million in 1963. The 1963 feed grain program is materially different than the 1961-62 programs and apparently will be much less effective per dollar spent. As H.R. 4997 has many of these same new features in it that were added to the 1963 program, it is our judgment that we should wait and see what the actual accomplishments may be before rushing forward with an extension of such a program.

4. As everyone in the Senate knows, there will be ample time for the Congress to consider 1964 feed grain legislation after the wheat referendum. Practically all feed grains are spring planted. There will be ample time for Congress to consider further legislation for wheat and feed grains at the same time after the outcome of the May 21 wheat referendum.

It is our belief that H.R. 4997 is not a good bill and should not be passed by Congress. Our principal objections to this bill are:

1. Under this bill the Secretary would be given complete discretionary authority to fix the amount of compensatory (Brannan-type) payments. We vigorously oppose compensatory payments because such payments would force consumers to pay a part of their food costs through taxes rather than full value at the market. This is nothing but a trap for producers. Ultimately, the payment approach also would be a trap for consumers since it would encourage inefficiency and, thereby, result in high real costs of food.

2. This bill grants far too much authority and discretion to the Secretary of Agriculture. Among other things, the Secretary would be given authority to determine (a) whether a feed grain diversion program shall be in effect; (b) the level at which feed grain prices are to be supported within a range of 65 to 90 percent of parity; (c) the percentage of base acreage (up to a maximum of 50 percent) a producer must divert to participate; (d) the rate at which diversion payments would be made (up to a maximum of 50 percent) of the support rate times the normal yield of the acreage diverted; and (e) the portion of the support price that is to be made available through compensatory payments to producers. In our judgment it is extremely dangerous to farmers—and to everyone else for that matter—for Congress to abrogate its own author-

ity and to grant such sweeping authority to any Secretary.

3. The USDA has established the total direct cost for the 1961 and 1962 feed grain programs at \$1.7 billion. This heavy expenditure cannot be justified in light of the accomplishments of the program. USDA records show that over 90 percent of the reduction in feed grain carryover was due to factors other than reduced production of the grains covered by the program. Increased use has been the major factor in reducing the carryover. In this regard, a little known fact is that feed grain production actually went up—not down—in 1962 as compared to 1961. Furthermore, the dumping of CCC grains under these programs has contributed largely to an increase in livestock, dairy, and poultry production and has severely depressed the prices received by producers of these commodities.

Indications are that the 1963 feed grain program will be more costly and less effective. The USDA has already indicated that direct payments to farmers under the 1963 feed grain program will be considerably in excess of \$900 million. By combining compensatory payments on the normal yield of the acres planted with diversion payments, the 1963 program (a) discriminates against the producers who want to reduce production more than the minimum required for participation; (b) provides a form of free crop insurance to cooperators; and (c) forces the Government to pay out millions of dollars in compensatory payments on grain that is produced solely for use on the farm where grown. We should not enact this wasteful program for 2 more years.

We strongly urge the Senate not to approve H.R. 4997 but rather to delay any action on feed grains until wheat farmers have made their decision in the wheat referendum on May 21. There will be ample time after that date to thoroughly review the whole wheat, feed grain, livestock, dairy, and poultry situations and for the Senate to take appropriate and wise action that will not penalize any group of farmers but will be helpful to all our farmers, and to the general public.

CHANGES IN H.R. 4997 FROM THE 1963 FEED GRAIN PROGRAM

H.R. 4997 is basically a 2-year extension of the 1963 feed grain program with the following major changes:

1. The Secretary is given discretion to set the direct payment and the loan at any combination that will result in a level of support from 65 to 90 percent of parity. This would permit the Secretary wide-open discretion to substantially lower the loan rate and dramatically raise the compensatory payment rate. This action would automatically lower the resale price of surplus grains held by CCC, and thus add a new confusing factor to artificially depress market prices.

2. The Secretary is given discretion to set the percentage of diversion required in order for the producer to qualify for price support (up to 50 percent).

3. Adds a provision whereby "new producers" (i.e., those farmers who for some reason did not plant feed grains in the 1959-60 period) could obtain a feed grain base, and after 1 year, receive diversion payments and price support.

4. Allows under certain circumstances the interchange of wheat and oats and rye acreages.

5. Changes the basic price support law to require as a condition of eligibility for price support in the event that no acreage diversion program is in effect that the producer comply with the farm base acreage.

6. Limits both direct and diversion payments to payment in kind, which, in turn, is affected by the CCC resale price which, in turn, is subject to the wide discretionary

authority of the Secretary of Agriculture. Farmers could, however, continue to receive cash in lieu of the actual grain.

7. Allows advance payments (up to 50 percent) at signup time not only for diversion, but also on the direct-payment portion of the price support. This, in effect, provides a producer with a portion of his price support price prior to the checking of his performance.

TABLE I.—Factors in the reduction of feed grain stocks

[Million tons]

| | 1961 | 1962 | Total for 1961-62 |
|---|-------|-------|-------------------|
| Total reduction in carryover..... | 12.9 | 10.8 | 23.7 |
| Reduction in production from 1960 of crops covered by program: | | | |
| Corn..... | 7.9 | 7.4 | 15.3 |
| Grain sorghum..... | 4.0 | 3.1 | .71 |
| Barley..... | | 0 | 0 |
| Total..... | 11.9 | 10.5 | 22.4 |
| Reduction in production from 1960 of crops not covered by program: | | | |
| Barley..... | .8 | | .8 |
| Oats..... | 2.3 | 2.0 | 4.3 |
| Total..... | 3.1 | 2.0 | 5.1 |
| Increase in utilization from 1960 marketing year..... | 8.1 | 8.3 | 16.4 |
| Net effect of reduction in production of crops not covered by program and increase in utilization on carryover..... | -11.2 | -10.3 | -21.5 |
| Reduction in carryover due to feed grain program..... | 1.7 | .5 | 2.2 |

NOTE.—It may be argued that the carryover would have increased if there had been no feed grain program. The point, however, is that the program has done little except to stop the buildup. The reduction in accumulated stocks is almost entirely due to increased utilization and reduced production of feed crops not covered by the program.

The total direct costs of our 2-year experience with the feed grain program have exceeded \$1.7 billion.

TABLE II.—Direct costs of the 1961 and 1962 feed grain programs

[Million dollars]

| Payments to— | 1961 | 1962 | Total, 1961 and 1962 |
|------------------------------|------|------|----------------------|
| Corn producers..... | 765 | 854 | 1,619 |
| Sorghum producers..... | | 42 | 42 |
| Barley producers..... | 42 | 142 | 84 |
| Administrative expenses..... | | | |
| Total..... | 807 | 938 | 1,745 |

¹ Assumed to be the same as for 1961.

Indirect costs resulting from the policy of dumping CCC grain to penalize non-participants will add \$200 million or more to the total cost of the 1961 and 1962 programs.

TABLE 2.—Payments under 1961 and 1962 feed grain programs cumulative from inception through Jan. 31, 1963¹

| State | 1961 | 1962 |
|--------------------|----------------|----------------|
| Maine..... | \$15,192.81 | \$20,128.18 |
| New Hampshire..... | | |
| Vermont..... | 50,175.68 | 45,926.05 |
| Massachusetts..... | 7,195.14 | 12,753.21 |
| Rhode Island..... | 929.14 | 1,481.24 |
| Connecticut..... | 47,968.04 | 84,587.90 |
| New York..... | 6,682,800.36 | 6,547,078.96 |
| New Jersey..... | 1,895,972.70 | 2,356,405.53 |
| Pennsylvania..... | 6,821,336.60 | 8,149,306.66 |
| Ohio..... | 42,674,824.43 | 36,603,994.99 |
| Indiana..... | 54,742,969.80 | 53,706,966.78 |
| Illinois..... | 87,817,582.63 | 87,505,791.53 |
| Michigan..... | 18,320,677.52 | 21,259,519.17 |
| Wisconsin..... | 23,462,051.07 | 25,835,092.65 |
| Minnesota..... | 46,213,009.54 | 53,970,447.50 |
| Iowa..... | 107,020,556.78 | 121,569,584.71 |
| Missouri..... | 69,328,457.38 | 64,850,552.21 |
| North Dakota..... | 5,507,579.19 | 13,589,872.53 |
| South Dakota..... | 15,775,983.08 | 15,608,599.32 |
| Nebraska..... | 66,788,199.59 | 68,025,510.09 |
| Kansas..... | 55,209,166.28 | 44,164,064.60 |
| Delaware..... | 1,511,602.28 | 1,479,352.31 |
| Maryland..... | 3,127,734.51 | 3,035,486.48 |
| Virginia..... | 4,373,162.98 | 6,293,070.89 |
| West Virginia..... | 407,098.21 | 748,375.98 |

TABLES ATTACHED

The following tables are included to illustrate the costs and results of the 1961 and 1962 feed grain programs.

SPESSARD L. HOLLAND.
JAMES O. EASTLAND.
GEORGE D. AIKEN.
BOURKE B. HICKENLOOPER.
J. CALEB BOGGS.
E. L. MECHEM.

TABLE 2.—Payments under 1961 and 1962 feed grain programs cumulative from inception through Jan. 31, 1963¹—Con.

| State | 1961 | 1962 |
|---------------------|-----------------|-----------------|
| North Carolina..... | \$16,231,578.73 | \$20,828,623.99 |
| South Carolina..... | 4,198,903.27 | 6,009,777.87 |
| Georgia..... | 6,574,272.08 | 11,841,776.63 |
| Florida..... | 2,466,460.80 | 3,227,494.06 |
| Kentucky..... | 17,723,194.20 | 18,204,191.76 |
| Tennessee..... | 11,867,721.84 | 14,822,371.68 |
| Alabama..... | 7,649,355.90 | 10,338,427.09 |
| Mississippi..... | 5,285,687.01 | 7,706,405.34 |
| Arkansas..... | 2,212,219.46 | 2,788,502.10 |
| Louisiana..... | 2,170,378.73 | 3,105,747.03 |
| Oklahoma..... | 8,782,070.88 | 9,653,284.40 |
| Texas..... | 59,601,429.43 | 64,569,628.14 |
| Montana..... | 601,921.97 | 1,727,066.88 |
| Idaho..... | 337,262.98 | 1,697,980.91 |
| Wyoming..... | 378,164.83 | 516,190.34 |
| Colorado..... | 6,327,776.98 | 6,755,320.29 |
| New Mexico..... | 2,635,342.22 | 2,838,522.31 |
| Arizona..... | 2,192,877.84 | 3,230,211.20 |
| Utah..... | 355,815.37 | 694,427.68 |
| Nevada..... | 25,143.44 | 15,873.04 |
| Washington..... | 1,058,388.46 | 2,931,744.15 |
| Oregon..... | 822,942.54 | 2,361,277.57 |
| California..... | 4,397,794.42 | 10,091,095.41 |
| U.S. total..... | 782,198,929.12 | 841,519,853.34 |

¹ Based on data compiled by Fiscal Division, ASCS, Feb. 26, 1963, and subject to revision after final reports are obtained from State and county ASCS offices.

Mr. HICKENLOOPER. Mr. President, I wish to say again that during the course of the debate on the amendments, many of us expressed our views, opinions, and concern. I regret that tonight we must take a step which is unprecedented in finalizing a piece of legislation which I think is evil for the agriculture economy of our country, especially the freedom and the opportunity of the farmers who are now farming as well as the farmers who would desire to go into farming in future years. It is an ominous thing. I do not believe that it bodes well for the agricultural economy of our country. I regret it. I shall vote against the bill.

Mr. COOPER. Mr. President, I shall

be brief because the debate has been long. I intend to vote for the bill, and I wish to state my reasons.

I cannot find a great deal of fault with many comments made by the distinguished Senator from Iowa [Mr. HICKENLOOPER] in relation to the necessity for confidence to encourage the growth of the economy of our country. But at last we have come down to the question of looking at the merits of the bill before us and voting on its passage. I know that a great many factors not directly related to the merits of the bill have entered into the debate. For example, I did not think it was necessary to pass the bill with the speed which the majority and the administration has desired that it be passed. For that reason I voted on the amendments brought before the Senate upon their merits, at least as I saw them. Now we come to the bill as presented.

The bill before us, H.R. 4997, extends to the 1964 and 1965 crops the voluntary feed grains program which has been in effect, with modifications, for the 1961, 1962, and 1963 crops of corn and other feed grains. I shall vote to extend the voluntary feed grain program for 2 additional years, and I point out that my vote will be consistent. For in the Committee on Agriculture and in the Senate, I have opposed the compulsory feed grain control programs advanced by this administration, and have voted instead to extend the voluntary program.

Early in his administration, President Kennedy recommended a voluntary feed grain program for the 1961 crop of corn and other feed grain—a program which in many respects was similar to the voluntary corn soil bank or soil bank acreage reserve program of the Eisenhower administration. The voluntary program for the 1961 crop passed the Senate by a vote of 52 to 26, and the conference report was adopted by a vote of 58 to 31, with the support of many of my colleagues on this side of the aisle.

Following passage of the emergency feed grain program, the Secretary of Agriculture later in 1961 sent up an omnibus bill, intended to vest in the Secretary large and unprecedented new powers to write and carry out price support, production control and marketing agreement programs for virtually all farm commodities without specific authorization by the Congress. These powers were not granted, and I strongly opposed the omnibus provisions in committee. Instead, the voluntary feed grain program was extended to the 1962 crop by the limited Agricultural Act of 1961 passed by the Senate in July, as I recall without large opposition and by a voice vote.

Last year, the administration made a strong fight for a compulsory feed grain control program—which I opposed, and which was defeated. At every step, I voted to strike out the compulsory program and instead to extend to the 1963 crop the voluntary program. In committee, I joined the Proxmire motion to that effect, which succeeded 9 to 8. Later, the compulsory program was substituted for the voluntary program on

the Senate floor. But the House rejected the compulsory program and sent the Senate its own bill. It was on my motion, as the chairman will recall, that the Senate Committee on Agriculture for a second time rejected the compulsory feed grains control program and substituted extension of the voluntary program for a third year—the 1963 crop year—by a 9-to-8 vote. Subsequently, the administration gave up its drive for compulsory feed grain controls and accepted the voluntary program.

So I state that my votes in support of the voluntary program, and against the compulsory program of mandatory acreage controls on all farmers growing corn and other feed grains, have been consistent.

I point out that in the absence of any program, price supports for corn would fall to about 80 cents—that is, not less than 50 percent of parity at such level “as the Secretary determines will not result in increasing Commodity Credit Corporation stocks of corn.” And Senators will recall that my motion to reconsider the voice vote to reduce the level of price support to 0 to 90 percent of parity for the 1964 and subsequent crops in the absence of a program was debated in the Senate for several hours last August, and I believe had some influence in persuading the conference to provide at least 50 percent of parity, rather than 0 to 90 percent of parity, in the event no program is in effect.

I think the voluntary program has been good for Kentucky farmers, just as the corn soil bank was good for them under the Eisenhower administration. Both have been popular. It is plain that, while costly, the voluntary program has made progress in reducing surplus stocks and saving Government storage and handling costs, which had grown to excessive levels. There is reason to hope that after 2 more years of the voluntary program supplies will be in reasonable balance with use. And I am very glad that the voluntary program has proved successful enough so that even this administration has given up its demand for compulsory controls on all producers of corn.

I point out also that the bill before us contains a provision which I offered, and which was first included in the 1961 crop year program, permitting small farmers to put their entire corn acreage into conservation uses and receive payments, up to 25 acres. This provision has been helpful to Kentucky farmers, and has also helped to make the voluntary program a success.

So, as we come to a vote on passage of this bill, we are faced with a choice. For the last 2 years, as I have said, we have been faced with a choice of a compulsory feed grain program or a voluntary feed grain program. In the Committee on Agriculture and Forestry, the minority members, with the help of the Senator from Florida and the Senator from Mississippi, stood against a compulsory feed grain program. For 2 years, as a result of the opposition of many Senators and farmers throughout the country, a bill containing a compulsory program was not enacted. We can be very

happy that did not occur, because it would have resulted in a system of acreage controls over all the feed grain growers of our country.

What is our alternative? Our alternative is the bill before the Senate.

There are sections in it which I should like to see omitted. For example, I voted for the amendment of the Senator from Iowa [Mr. HICKENLOOPER] to remove the section which would give the Secretary authority to make compensatory payments above the 18 cents a bushel that was paid last year. But we have the assurance of the chairman of the committee—and I have confidence in the chairman—that the Secretary will not make payments over 18 cents.

What is the alternative? If the bill is not passed, feed grain growers will operate under the bill that was passed last year—a bill, I may say, that I spoke against and voted against, because I saw in it provisions which I believed would lead to the situation that we are in today.

The bill passed last year provided that when the existing voluntary feed grain program ended, and a new one, such as the one we are now considering, was not enacted, the support price for corn would be at a level of 50 to 90 percent of parity—but also at a level which would not increase CCC stocks. That means that 50 percent of parity would be the level, in my judgment. The distinguished Senator from South Dakota has expressed that opinion.

If the parity price of corn were \$1.50 or \$1.60, it would mean that, without the enactment of this bill—and I want this to be in the RECORD and be known to all of us—the price the farmer would receive for his corn would be 75 to 80 cents a bushel, with other feed crops at a comparable price level.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. YOUNG of North Dakota. The Senator from Kentucky [Mr. COOPER] last year, when the omnibus farm bill passed the Senate, called attention to the fact that one of the provisions of the bill would lower the price supports of corn and feed grains to 50 percent of parity.

It was the Senator from Kentucky, more than anyone else, who brought out that point. The Senator from Kentucky is absolutely correct. If the bill is not passed, the price supports for feed grains will go to 50 percent of parity. This will mean a reduction from \$1.25 to 80 cents a bushel. If that would not be disastrous to all agriculture, I do not know what would. This is one of the main reasons why I voted against the omnibus farm bill last year which would have reduced the price supports to 50 percent of parity. This is one of the main reasons why I shall vote for the bill tonight, a bill which is completely voluntary in form.

Mr. COOPER. I agree with the Senator. For 2 years I voted against the compulsory feed grain programs. Last year I voted against the omnibus bill, because it had that provision in it.

Unless we pass the bill before the Senate, it will mean that corn and other feed

grain growers will receive 50 percent of parity.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. JOHNSTON. What the Senator has said is correct. When Secretary Freeman was testifying, he said that if we did not pass the bill the provisions of the old law would be in force, and we would be under the terms of a law which would provide close to 50 percent of parity.

Mr. COOPER. I am sorry that provision was in the bill we passed last year, and I spoke and voted against that bill because of it, but it was included and was passed.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. MILLER. Mr. President, I will not detain the Senate for more than a few moments, but I think I ought to make a comment, in view of what has been said.

I, too, voted against the omnibus bill of last year. At that time, along with many of my colleagues, I warned that the reason for trying to get that bill passed, with the provision for 50 percent of parity and 80 cents a bushel for corn starting in 1964 included, was that when this year came around that that would be hung over our heads like the sword of Damocles, to try to force us into passing something which would meet the whims and fancies of the Secretary of Agriculture and his supply management people.

That is precisely what has happened. They did not come to the Congress with a controlled, nonvoluntary program, which is what they would have liked to have done, because they knew the Congress would not accept it. They came forward with a so-called voluntary program, which in some respects is voluntary in name only. We all know that the word “voluntary” can mean many things. If it is possible to sweeten the carrot enough, it can become almost irresistible. In that situation it is questionable whether it should be called a voluntary program.

Be that as it may, the fact that we might perhaps vote down the bill certainly would not mean there would not be any feed grain program for 1964. There is plenty of time remaining for Congress to consider another program. I venture to say that if the Senate should vote against this bill, if the bill should not pass without reasonable amendments, there would be plenty of opportunity, because all the indications are that we shall be here for quite a long while yet, to consider another proposal. If I gage the political astuteness of my colleagues on the other side of the aisle correctly, they will see to it that there will be a feed grain program in 1964 which does not call for 50 percent of parity.

I think it well to point out that one of the main reasons why some of us will vote against the bill is the complete discretion which is to be granted to a non-elected public official. The legislative branch of the Government will be abdi-

cating its proper powers under the doctrine of the separation of powers to a nonelected public official. This nonelected public official could, under the terms of the bill, decide that there will not be an acreage diversion program for certain feed grains. If that should happen, there will be a provision for 50 percent of parity, because the law which was put on the books last year would be operative.

So I point out to my good friend from Kentucky and to my good friend from North Dakota that, under the terms of the bill, we are asked to give to the Secretary of Agriculture the power to decide for the farmers whether there will be 80-cent-a-bushel corn. I think this is very deplorable.

So, Mr. President, I shall be forced to vote against the bill.

"FAITH 7"

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. MILLER. I am happy to yield.

Mr. HICKENLOOPER. I wish to inform the Senate that the capsule with Astronaut Cooper has just landed in the Pacific, only a few hundred feet away from the carrier, according to the report. [Applause.]

Mr. MILLER. Mr. President, in the 2 days the Senate has been considering the feed grain bill this is the only good news I have heard.

I wish we could have an amendment or two adopted in the Senate, to liven up the situation, but the die has been cast.

In conclusion, Mr. President, I shall be forced to vote against the bill. I shall do so with the clear understanding that if the Congress should turn down this unfortunate piece of proposed legislation there would be a sufficient number of Members of Congress who would see to it that the sword of Damocles which was passed in the last session of Congress no longer will be held over the heads of our farmers in 1964, and a reasonable program which will assure to them some kind of future for themselves and their families will be provided.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. YOUNG of North Dakota. Mr. President, I ask unanimous consent to have printed in the RECORD at this point some questions I asked of Secretary of Agriculture Freeman when he appeared before the Senate Committee on Agriculture and Forestry about 2 weeks ago, and the answers he gave. The colloquy appears beginning on page 55 of the hearings.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The CHAIRMAN. The Senator from North Dakota may proceed.

Senator YOUNG. If this feed grain bill does not pass, at what price in dollars and cents would you have to set corn price supports next year?

Secretary FREEMAN. Under the law it would be close to 50 percent of parity—about 80 cents per bushel.

Senator YOUNG. For corn?

Secretary FREEMAN. Yes, sir.

Senator YOUNG. What is the present support price for corn?

Secretary FREEMAN. \$1.25.

Senator YOUNG. This drastic drop in price support would certainly be accompanied by an almost equal drop in cash prices for corn, wouldn't it?

Secretary FREEMAN. Yes, sir.

Senator YOUNG. Wouldn't this mean a great increase in cattle and hog feeding?

Secretary FREEMAN. Yes; it would.

Senator YOUNG. More meat would mean cheaper prices for the producers, more trouble?

Secretary FREEMAN. It would mean, I think, a very sharp drop in the related markets of products that consume feed grain.

Senator YOUNG. Your predecessor, Secretary Benson, recognized this when he made available price supports for noncompliance corn 2 years in a row. He stated at the time, he was doing it because cheap feed grain would mean overproduction of meats and trouble for them.

Well, now, in case a no-vote prevails in this referendum the price support for wheat would be at 50 percent of parity, or \$1.25 a bushel, and that only to those who comply with acreage allotments.

Secretary FREEMAN. Yes, sir.

Senator YOUNG. Do you know of any old law you can dust off like Secretary Benson did that could be used to establish a price support for noncompliers?

Secretary FREEMAN. No, sir.

Senator YOUNG. The price support would go to that level, then?

Secretary FREEMAN. Yes, sir.

Senator YOUNG. Just one more question: Has anything happened to your retirement program which would take the place of the soil bank?

Secretary FREEMAN. We have been working on it very hard. The Senator asked me about that before the Appropriations Committee. There is a meeting scheduled for this afternoon with the Bureau of the Budget. It is a longtime program as you know, and we have been working over the final details, we are very anxious to get that out and up here as quick as we can.

Senator YOUNG. Just one more question: In my State, the vote seems to hinge mostly on whether Congress would write a new and better program if a no-vote prevails. A great many farmers have been convinced that Congress will immediately write a better program.

Do you have any other program in mind if you—

Secretary FREEMAN. No, sir.

Senator YOUNG. I am wondering, if any members of this committee have a new program in mind, it would be very helpful to the wheat producers if they would state what this program is and particularly what dollars and cents price-support level it would embody.

I know of no such program. Maybe someone has one in mind, but if they have, I think it would be very helpful to wheat producers all over the United States to know exactly what kind of program it is.

Secretary FREEMAN. It is my understanding, Senator, that when the Congress passed the Food and Agriculture Act of 1962, it very clearly stated that we would see what the farmers wanted, that the Congress provided for a further referendum for the 1965 crop, if there should be a negative result this time, and that it further provided for an interim program during that period which the Senator has just described, and that as such, this question was literally decided by the Congress when the Food and Agriculture Act was passed in 1962. The Congress can, of course, always change its mind. But as far as the Secretary of Agriculture is concerned, it was passed on that basis and I feel that that was Congress' purpose and intent and I would

feel bound to comply with the intent of Congress as so expressed.

Senator YOUNG. The only precedent I know of that we have—correct me if I am wrong—is that in tobacco, the producers disapproved a tobacco quota 1 year, Congress did nothing and they approved it in succeeding years. That is all.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ANDERSON (when his name was called). On this vote I have a pair with the senior Senator from Oregon [Mr. MORSE]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. BREWSTER (when his name was called). On this vote I have a pair with the junior Senator from Michigan [Mr. HART]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. INOUE (when his name was called). On this vote I have a pair with the Senator from Florida [Mr. HOLLAND]. If he were present and voting, the Senator from Florida would vote "nay"; if I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

Mr. LAUSCHE (when his name was called). On this vote I have a pair with the junior Senator from Arkansas [Mr. FULBRIGHT]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the senior Senator from Colorado [Mr. ALLOTT]. If he were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DOBB], the Senator from California [Mr. ENGLE], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Michigan [Mr. HART], the Senator from Indiana [Mr. HARTKE], the Senator from Florida [Mr. HOLLAND], the Senator from Oregon [Mr. MORSE], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DOBB], the Senator from California [Mr. ENGLE], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Maine [Mr. MUSKIE], and the Senator from Georgia [Mr. RUSSELL] would each vote "yea."

On this vote, the Senator from Utah [Mr. MOSS] is paired with the Senator

from New Jersey [Mr. CASE]. If present and voting, the Senator from Utah would vote "yea," and the Senator from New Jersey would vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] and the Senator from New Jersey [Mr. CASE] are necessarily absent.

On this vote, the Senator from New Jersey [Mr. CASE] is paired with the Senator from Utah [Mr. MOSS]. If present and voting, the Senator from New Jersey would vote "nay," and the Senator from Utah would vote "yea."

The pair of the Senator from Colorado [Mr. ALLOTT] has been previously announced.

The result was announced—yeas 45, nays 35, as follows:

[No. 90 Leg.]

YEAS—45

| | | |
|--------------|--------------|----------------|
| Bayh | Jackson | Monroney |
| Bible | Johnston | Mundt |
| Burdick | Jordan, N.C. | Nelson |
| Byrd, W. Va. | Kefauver | Neuberger |
| Church | Kennedy | Proxmire |
| Clark | Long, Mo. | Randolph |
| Cooper | Long, La. | Ribicoff |
| Douglas | Magnuson | Smathers |
| Edmondson | McCarthy | Sparkman |
| Ellender | McClellan | Symington |
| Ervin | McGee | Talmadge |
| Gore | McGovern | Williams, N.J. |
| Hayden | McIntyre | Yarborough |
| Hill | McNamara | Young, N. Dak. |
| Humphrey | Metcalf | Young, Ohio |

NAYS—35

| | | |
|-----------|---------------|----------------|
| Aiken | Goldwater | Pell |
| Beall | Hickenlooper | Prouty |
| Bennett | Hruska | Robertson |
| Boggs | Javits | Saltonstall |
| Byrd, Va. | Jordan, Idaho | Scott |
| Carlson | Keating | Simpson |
| Cotton | Kuchel | Smith |
| Curtis | Mechem | Stennis |
| Dirksen | Miller | Thurmond |
| Dominick | Morton | Tower |
| Eastland | Pastore | Williams, Del. |
| Fong | Pearson | |

NOT VOTING—20

| | | |
|----------|-----------|-----------|
| Allott | Engle | Lausche |
| Anderson | Fulbright | Mansfield |
| Bartlett | Gruening | Morse |
| Brewster | Hart | Moss |
| Cannon | Hartke | Muskie |
| Case | Holland | Russell |
| Dodd | Inouye | |

So the bill (H.R. 4997) was passed.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXPRESSION OF APPRECIATION

Mr. MANSFIELD. Mr. President, before I present a resolution, I wish to express my appreciation, as the leader on the Democratic side, to the distinguished Senator from Louisiana [Mr. ELLENDER], who once again has done an outstanding job in bringing before the Senate a bill having to do with the agricultural economy of our country. He has shown his usual skill and outstanding knowledge, and we are indeed indebted to him, and to the Senate as a whole for the understanding it has shown.

I want to say to Senators who opposed the bill, such as the distinguished minority leader [Mr. DIRKSEN], the Senator from Iowa [Mr. HICKENLOOPER], the

Senator from Vermont [Mr. AIKEN], and other Senators, that we are grateful to them for giving us the opportunity to at least reach a final disposition of this measure.

In passing, I also wish to express my gratitude to the Senator from Virginia [Mr. ROBERTSON], who was in charge of the appropriation bill having to do with the Treasury, Post Office, and executive departments, a bill which passed last week. It was the earliest date on which an appropriation bill has passed in this body since May 1955. So to those two chairmen I extend my thanks.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. DIRKSEN. I hope Senators will remain for a moment while the majority leader submits a resolution paying tribute to a very distinguished astronaut who finished an epochal flight.

Before he does, I want to salute the Members on my side of the aisle for the great effort they made in exposing the weaknesses in the legislation just approved by the Senate. I thought these were great days. Every facet of the bill was thoroughly discussed, and we are quite content to have the result. Of course, we have to abide by the victory of my distinguished friend the Senator from Montana and my distinguished friend the Senator from Louisiana. We bow, of course, to superior force.

However, we believe in the Biblical admonition that one man clothed in righteousness is a match for all the hosts of error.

Mr. HUMPHREY. Mr. President, I wish to join with the majority leader in expressing commendation and thanks to the distinguished Senator from Louisiana [Mr. ELLENDER] for his remarkable record of procuring agricultural legislation and for the expert manner in which he handles the intricate, complicated agricultural bills on the floor of the Senate.

I served on the Committee on Agriculture and Forestry for many years. I know the chairman of the committee to be one of the most knowledgeable men in the Nation on agricultural policy and agricultural legislation.

Also, the Secretary of Agriculture is to be commended for his testimony before the Committee on Agriculture and Forestry and for the manner in which he has administered the feed grain programs, as well as other programs that are entrusted to his responsibility. I believe the vote in the Senate, as well as the vote in the other body, indicates an expression of confidence and support in the administration of the Department of Agriculture by Secretary Freeman. He has undertaken the extremely difficult task of trying to bring some order out of what was the chaos of our agricultural policy. I believe he is succeeding in doing so. He is developing a record that points to a better program for our farmers, a lessening of the burden upon the taxpayers, and a greater opportunity for American consumers to enjoy the benefits of an abundant agricultural economy.

ASTRONAUT L. GORDON COOPER

Mr. MANSFIELD. Mr. President, on behalf of the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN] and myself and the 98 other Members of the Senate, Senators AIKEN, ALLOTT, ANDERSON, BARTLETT, BAYH, BEALL, BENNETT, BIBLE, BOGGS, BREWSTER, BURDICK, BYRD of Virginia, BYRD of West Virginia, CANNON, CARLSON, CASE, CHURCH, CLARK, COOPER, COTTON, CURTIS, DODD, DOMINICK, DOUGLAS, EASTLAND, EDMONDSON, ELLENDER, ENGLE, ERVIN, FONG, FULBRIGHT, GOLDWATER, GORE, GRUENING, HART, HARTKE, HAYDEN, HICKENLOOPER, HILL, HOLLAND, HRUSKA, HUMPHREY, INOUE, JACKSON, JAVITS, JOHNSTON, JORDAN of North Carolina, JORDAN of Idaho, KEATING, KEFAUVER, KENNEDY, KUCHEL, LAUSCHE, LONG of Missouri, LONG of Louisiana, MAGNUSON, MCCARTHY, McCLELLAN, McGEE, MCGOVERN, MCINTYRE, McNAMARA, MECHEM, METCALF, MILLER, MONRONEY, MORSE, MORTON, MOSS, MUNDT, MUSKIE, NELSON, NEUBERGER, PASTORE, PEARSON, PELL, PROUTY, PROXMIRE, RANDOLPH, RIBICOFF, ROBERTSON, RUSSELL, SALTONSTALL, SCOTT, SIMPSON, SMATHERS, SMITH, SPARKMAN, STENNIS, SYMINGTON, TALMADGE, THURMOND, TOWER, WILLIAMS of New Jersey, WILLIAMS of Delaware, YARBOROUGH, YOUNG of North Dakota, and YOUNG of Ohio, I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read the resolution (S. Res. 143), as follows:

Whereas Major L. Gordon Cooper, of the United States Air Force, has completed the longest flight in space ever undertaken by an American; and

Whereas the bravery, skill, and dedication of Major Cooper have aroused the admiration of the people of the world, and demonstrated the capabilities of freemen in the exploration of space; and

Whereas the efforts of thousands of Americans have contributed to the success of Major Cooper's flight; and

Whereas the family of Major Cooper has endured the long trial of his preparation and flight with great fortitude, and has rendered him untiring support: Now, therefore, be it

Resolved, That the Senate of the United States extends its profound congratulations to Major Cooper on his heroic accomplishment, and expresses its gratification to his family and to all those who have contributed to the success of his mission.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

The Chair hears none, and the resolution (S. Res. 143) is unanimously agreed to.

[Applause, Senators rising.]

Mr. MAGNUSON. Mr. President, of course I heartily favor the resolution. Had I had a part in drafting the resolution I am sure I would not have overlooked—and I am sure that the majority leader and minority leader did not intend to overlook—adding congratulations to the great team effort of private industry, the Government, and of all groups of research, and the initiative which has brought into being the great-



An Act

77 STAT. 44.

To extend the feed grain program.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Feed Grain Act of 1963."

SEC. 2. Section 105 of the Agricultural Act of 1949, as amended, is amended—

(1) by changing the period at the end of subsection (a) to a colon and adding the following: "Provided, That in the case of any crop for which an acreage diversion program is in effect for feed grains, the level of price support for corn of such crop shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines necessary to achieve the acreage reduction goal established by him for the crop."

Feed Grain Act
of 1963.
72 Stat. 994;
75 Stat. 6, 301;
76 Stat. 612.
7 USC 1441 note.

(2) by adding the following new subsection (d):

"(d) The provision of this subsection shall be applicable with respect to the 1964 crop and the 1965 crop of feed grains if an acreage diversion program is in effect under section 16(h) of the Soil Conservation and Domestic Allotment Act, as amended. The Secretary shall require as a condition of eligibility for price support on the crop of any feed grain which is included in the acreage diversion program that the producer shall participate in the diversion program to the extent prescribed by the Secretary, and, if no diversion program is in effect for the 1964 crop or the 1965 crop, he may require as a condition of eligibility for price support on such crop of feed grains that the producer shall not exceed his feed grain base: *Provided*, That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the acreage diversion program for feed grains if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960, and does not devote any acreage devoted to the production of oats and rye in 1959 and 1960 to the production of wheat pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962. Such portion of the support price for any feed grain included in the acreage diversion program as the Secretary determines desirable to assure that the benefits of the price support and diversion programs inure primarily to those producers who cooperate in reducing their acreages of feed grains shall be made available to producers through payments in kind. Such payments in kind shall be made on the number of bushels of such feed grain determined by multiplying the actual acreage of such feed grain planted on the farm for harvest by the adjusted average yield per acre. The base period used in determining such adjusted average yield shall be the same as that used for purposes of the acreage diversion program formulated under section 16(h) of the Soil Conservation and Domestic Allotment Act, as amended. The Secretary may make not to exceed 50 per centum of any payments hereunder to producers in advance of determination of performance. Such payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall

Feed grain pro-
grams.
Conditions of
eligibility.
Post, p. 45.

76 Stat. 631.
7 USC 1334 note.

Negotiable
certificates.

redeem for feed grains (such feed grains to be valued by the Secretary at not less than the current support price minus that part of the current support price made available through payments in kind, plus reasonable carrying charges) and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. The Secretary shall provide for the sharing of such certificates among the producers on the farm on the basis of their respective shares in the crop produced on the farm with respect to which such certificates are issued, or the proceeds therefrom. If the operator of the farm elects to participate in the acreage diversion program, price support for feed grains included in the program shall be made available to the producers on such farm only if such producers divert from the production of such feed grains in accordance with the provisions of such program an acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide."

SEC. 3. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(h) Notwithstanding any other provision of law—

"(1) For the 1964 crop and the 1965 crop of feed grains, if the Secretary determines that the total supply of feed grains will, in the absence of an acreage diversion program, likely be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet any national emergency, he may formulate and carry out an acreage diversion program for feed grains, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of feed grains to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conserving crops or practices including summer fallow and idle land by an equal amount. Payments shall not be made in amounts in excess of 50 per centum of the estimated basic county support rate, including that part of the support price made available through payments in kind, on the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre. Notwithstanding the foregoing provisions, the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses,

Acreage diversion programs.
49 Stat. 1151.
16 USC 590p.

and no price support shall be made available for the production of any such crop on such diverted acreage. The base period for the purpose of determining the adjusted average yield in the case of payments with respect to the 1964 crop shall be the four-year period 1959-1962, and in the case of payments with respect to the 1965 crop shall be the five-year period 1959-1963. The term 'feed grains' means corn, grain sorghums, barley, and, if for any crop the producer so requests for purposes of having acreage devoted to the production of wheat considered as devoted to the production of feed grains, pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962, the term 'feed grains' shall include oats and rye: *Provided*, That acreages of corn, grain sorghums, and barley shall not be planted in lieu of acreages of oats and rye: *Provided further*, That the acreage devoted to the production of wheat shall not be considered as an acreage of feed grains for purposes of establishing the feed grain base acreage for the farm for subsequent crops. Such feed grain diversion program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The acreage eligible for participation in the program shall be such acreage (not to exceed 50 per centum of the average acreage on the farm devoted to feed grains in the crop years 1959 and 1960 or twenty-five acres, whichever is greater) as the Secretary determines necessary to achieve the acreage reduction goal for the crop. Payments shall be made in kind. The average acreage of wheat produced on the farm during the crop years 1959, 1960, and 1961, pursuant to the exemption provided in section 335(f) of the Agricultural Adjustment Act of 1938, prior to its repeal by the Food and Agriculture Act of 1962, in excess of the small farm base acreage for wheat established under section 335 of the Agricultural Adjustment Act of 1938, as amended, shall be considered as an acreage of feed grains produced in the crop years of 1959 and 1960 for purposes of establishing the feed grain base acreage for the farm, and the rate of payment for diverting such wheat shall be an amount determined by the Secretary to be fair and reasonable in relation to the rates of payment for diverting feed grains. The Secretary may make such adjustments in acreage and yields as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual acreages and yields for the farm, such acreages and yields shall be used in making determinations. Notwithstanding any other provision of this subsection (7)(1), the Secretary may, upon unanimous request of the State committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county to the extent he determines such adjustment to be necessary in order to establish fair and equitable feed grain bases for farms within such State or county. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance: *Provided*, That in no event shall the Secretary in the crop years 1964 or 1965 make payments to any producers under this section 16(h) and under section 105(d) of the Agricultural Act of 1949, as amended, in excess of 20 per centum of the fair market value of any acreage involved. Notwithstanding

"Feed grains."

76 Stat. 631.

7 USC 1334
note.

71 Stat. 477.

7 USC 1335.

76 Stat. 621.

52 Stat. 31.

16 USC 590h.

Ante, p. 44.

Ante, p. 44.

any other provision of this subsection (h)(1), barley shall not be included in the program for a producer of malting barley exempted pursuant to section 105(d) of the Agricultural Act of 1949 who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

“(2) Notwithstanding any other provision of this subsection, not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: Suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this subsection except that producers on such farm shall not be eligible for conservation payments for the first year for which the feed grain base is established.

“(3) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(h).

“(4) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

“(5) Payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. Feed grains with which Commodity Credit Corporation redeems certificates pursuant to this paragraph shall be valued at not less than the current support price, minus that part of the current support price made available through payments in kind, plus reasonable carrying charges.

"(6) Notwithstanding any other provision of law, the Secretary may, by mutual agreement with the producer, terminate or modify any agreement previously entered into pursuant to this subsection if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of feed grains."

SEC. 4. Section 326 of the Food and Agriculture Act of 1962, as amended, is amended by deleting the word "and" immediately preceding "(g)" and inserting immediately after "(g)" the following: "and (h)". 76 Stat. 631.
7 USC 1334 note.

Approved May 20, 1963, 12:40 p. m.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 180 (Agriculture Comm.).

SENATE REPORT No. 172 (Agriculture and Forestry Comm.).

CONGRESSIONAL RECORD, Vol. 109:

Apr. 25, 1963; Considered and passed House.

May 13-15, 1963; Considered in Senate.

May 16, 1963; Considered and passed Senate.

